

**Alchip Technologies, Limited and
Subsidiaries**

**Consolidated Financial Statements for the
Nine Months Ended September 30, 2025 and 2024 and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Alchip Technologies, Limited

Introduction

We have reviewed the accompanying consolidated balance sheets of Alchip Technologies, Limited and its subsidiaries (collectively, the “Group”) as of September 30, 2025 and 2024, the related consolidated statements of comprehensive income for the three months ended September 30, 2025 and 2024 and for the nine months ended September 30, 2025 and 2024, the consolidated statements of changes in equity and cash flows for the nine months then ended, and the related notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the “consolidated financial statements”). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

We conducted our reviews in accordance with the Standards on Review Engagements of the Republic of China 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of September 30, 2025 and 2024, its consolidated financial performance for the three months ended September 30, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the nine months ended September 30, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Chien-Liang Liu and Li-Chun Chang.

Chien-Liang Liu Li-chun Chang

Deloitte & Touche
Taipei, Taiwan
Republic of China

November 5, 2025

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' review report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' review report and consolidated financial statements shall prevail.

ALCHIP TECHNOLOGIES, LIMITED AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	September 30, 2025		December 31, 2024		September 30, 2024	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 33,258,856	67	\$ 27,044,210	54	\$ 19,716,795	41
Financial assets at fair value through other comprehensive income (Note 7)	172,340	-	15,936	-	-	-
Financial assets at amortized cost (Notes 8 and 28)	5,483,365	11	2,367,661	5	1,970,235	4
Trade receivables (Note 10)	2,851,012	6	5,729,833	11	7,249,559	15
Other receivables	178,803	-	408,040	1	184,004	1
Inventories (Note 11)	1,646,024	3	8,660,525	17	12,831,007	27
Prepayments (Notes 16, 27 and 29)	1,497,513	3	1,651,686	3	587,521	1
Other current assets	46,768	-	305,987	1	654,567	1
Total current assets	<u>45,134,681</u>	<u>90</u>	<u>46,183,878</u>	<u>92</u>	<u>43,193,688</u>	<u>90</u>
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income (Note 7)	2,039,483	4	1,389,686	3	1,285,763	3
Financial assets at amortized cost (Note 8)	85,694	-	91,216	-	90,333	-
Investments accounted for using the equity method (Note 27)	70,344	-	118,959	-	111,049	-
Property, plant and equipment (Note 13)	1,604,351	3	1,775,456	4	2,543,385	5
Right-of-use assets (Note 14)	302,422	1	233,131	-	243,400	1
Intangible assets (Note 15)	214,390	1	247,930	1	286,660	1
Deferred tax assets	345,115	1	168,603	-	129,378	-
Other non-current assets	102,011	-	100,496	-	97,414	-
Total non-current assets	<u>4,763,810</u>	<u>10</u>	<u>4,125,477</u>	<u>8</u>	<u>4,787,382</u>	<u>10</u>
TOTAL	<u><u>\$ 49,898,491</u></u>	<u><u>100</u></u>	<u><u>\$ 50,309,355</u></u>	<u><u>100</u></u>	<u><u>\$ 47,981,070</u></u>	<u><u>100</u></u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Contract liabilities (Note 20)	\$ 9,484,086	19	\$ 6,113,935	12	\$ 7,914,866	17
Trade payables	254,908	-	1,826,327	4	2,395,124	5
Other payables (Note 17)	1,455,724	3	1,682,797	3	1,495,972	3
Other payables to related parties (Note 27)	-	-	35,441	-	-	-
Current tax liabilities	413,097	1	898,373	2	642,311	1
Lease liabilities (Note 14)	94,364	-	75,430	-	81,095	-
Other current liabilities	11,807	-	39,386	-	23,553	-
Total current liabilities	<u>11,713,986</u>	<u>23</u>	<u>10,671,689</u>	<u>21</u>	<u>12,552,921</u>	<u>26</u>
NON-CURRENT LIABILITIES						
Deferred tax liabilities	2,803	-	6,116	-	5,048	-
Lease liabilities (Note 14)	221,894	1	131,900	1	130,369	-
Deferred revenue	21,424	-	22,804	-	22,583	-
Total non-current liabilities	<u>246,121</u>	<u>1</u>	<u>160,820</u>	<u>1</u>	<u>158,000</u>	<u>-</u>
Total liabilities	<u><u>\$ 11,960,107</u></u>	<u><u>24</u></u>	<u><u>\$ 10,832,509</u></u>	<u><u>22</u></u>	<u><u>\$ 12,710,921</u></u>	<u><u>26</u></u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY						
(Notes 18 and 19)						
Share capital	810,149	2	806,485	2	798,880	2
Capital surplus	25,603,582	51	25,350,477	50	24,281,141	51
Retained earnings						
Special reserve	67,693	-	67,693	-	67,693	-
Unappropriated earnings	11,853,751	24	10,684,554	21	8,848,848	18
Total retained earnings	11,921,444	24	10,752,247	21	8,916,541	18
Other equity	(412,485)	(1)	2,546,513	5	1,256,832	3
Total equity attributable to owners of the Company	37,922,690	76	39,455,722	78	35,253,394	74
NON-CONTROLLING INTERESTS	<u>15,694</u>	<u>-</u>	<u>21,124</u>	<u>-</u>	<u>16,755</u>	<u>-</u>
Total equity	<u><u>\$ 37,938,384</u></u>	<u><u>76</u></u>	<u><u>\$ 39,476,846</u></u>	<u><u>78</u></u>	<u><u>\$ 35,270,149</u></u>	<u><u>74</u></u>
TOTAL	<u><u>\$ 49,898,491</u></u>	<u><u>100</u></u>	<u><u>\$ 50,309,355</u></u>	<u><u>100</u></u>	<u><u>\$ 47,981,070</u></u>	<u><u>100</u></u>

The accompanying notes are an integral part of the consolidated financial statements.

ALCHIP TECHNOLOGIES, LIMITED AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of U.S. Dollars)

ASSETS	September 30, 2025		December 31, 2024		September 30, 2024	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 1,092,424	67	\$ 824,896	54	\$ 622,964	41
Financial assets at fair value through other comprehensive income (Note 7)	5,661	-	486	-	-	-
Financial assets at amortized cost (Notes 8 and 28)	180,107	11	72,218	5	62,251	4
Trade receivables (Note 10)	93,645	6	174,770	11	229,054	15
Other receivables	5,873	-	12,446	1	5,814	1
Inventories (Note 11)	54,065	3	264,161	17	405,403	27
Prepayments (Notes 16, 27 and 29)	49,188	3	50,379	3	18,563	1
Other current assets	1,536	-	9,333	1	20,681	1
Total current assets	<u>1,482,499</u>	<u>90</u>	<u>1,408,689</u>	<u>92</u>	<u>1,364,730</u>	<u>90</u>
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income (Note 7)	66,989	4	42,388	3	40,624	3
Financial assets at amortized cost (Note 8)	2,815	-	2,782	-	2,854	-
Investments accounted for using the equity method (Note 27)	2,311	-	3,628	-	3,509	-
Property, plant and equipment (Note 13)	52,697	3	54,155	4	80,360	5
Right-of-use assets (Note 14)	9,933	1	7,111	-	7,690	1
Intangible assets (Note 15)	7,042	1	7,562	1	9,057	1
Deferred tax assets	11,336	1	5,143	-	4,088	-
Other non-current assets	3,350	-	3,065	-	3,078	-
Total non-current assets	<u>156,473</u>	<u>10</u>	<u>125,834</u>	<u>8</u>	<u>151,260</u>	<u>10</u>
TOTAL	<u>\$ 1,638,972</u>	<u>100</u>	<u>\$ 1,534,523</u>	<u>100</u>	<u>\$ 1,515,990</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Contract liabilities (Note 20)	\$ 311,515	19	\$ 186,486	12	\$ 250,075	17
Trade payables	8,373	-	55,706	4	75,675	5
Other payables (Note 17)	47,815	3	51,328	3	47,266	3
Other payables to related parties (Note 27)	-	-	1,081	-	-	-
Current tax liabilities	13,569	1	27,402	2	20,294	1
Lease liabilities (Note 14)	3,099	-	2,301	-	2,562	-
Other current liabilities	388	-	1,201	-	744	-
Total current liabilities	<u>384,759</u>	<u>23</u>	<u>325,505</u>	<u>21</u>	<u>396,616</u>	<u>26</u>
NON-CURRENT LIABILITIES						
Deferred tax liabilities	92	-	187	-	160	-
Lease liabilities (Note 14)	7,288	1	4,023	1	4,119	-
Deferred revenue	704	-	695	-	713	-
Total non-current liabilities	<u>8,084</u>	<u>1</u>	<u>4,905</u>	<u>1</u>	<u>4,992</u>	<u>-</u>
Total liabilities	<u>392,843</u>	<u>24</u>	<u>330,410</u>	<u>22</u>	<u>401,608</u>	<u>26</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY						
(Notes 18 and 19)						
Share capital	25,932	2	25,815	1	25,578	2
Capital surplus	838,589	51	830,536	54	797,193	53
Retained earnings						
Special reserve	2,799	-	2,799	-	2,799	-
Unappropriated earnings	380,029	23	346,802	23	289,987	19
Total retained earnings	382,828	23	349,601	23	292,786	19
Other equity	(1,728)	-	(2,521)	-	(1,721)	-
Total equity attributable to owners of the Company	1,245,621	76	1,203,431	78	1,113,836	74
NON-CONTROLLING INTERESTS	<u>508</u>	<u>-</u>	<u>682</u>	<u>-</u>	<u>546</u>	<u>-</u>
Total equity	<u>1,246,129</u>	<u>76</u>	<u>1,204,113</u>	<u>78</u>	<u>1,114,382</u>	<u>74</u>
TOTAL	<u>\$ 1,638,972</u>	<u>100</u>	<u>\$ 1,534,523</u>	<u>100</u>	<u>\$ 1,515,990</u>	<u>100</u>

The accompanying notes are an integral part of the consolidated financial statements.

ALCHIP TECHNOLOGIES, LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2025	%	2024	%	2025	%	2024	%
	Amount		Amount		Amount		Amount	
OPERATING REVENUE (Note 20)	\$ 6,569,860	100	\$ 14,825,554	100	\$ 26,198,712	100	\$ 38,897,297	100
OPERATING COSTS (Notes 11 and 21)	4,728,943	73	11,940,255	80	20,041,832	76	31,465,423	81
GROSS PROFIT	1,840,917	27	2,885,299	20	6,156,880	24	7,431,874	19
OPERATING EXPENSES (Notes 10, 21 and 27)								
Selling and marketing expenses	55,918	1	81,477	1	202,844	1	217,151	1
General and administrative expenses	177,331	2	189,996	1	529,990	2	679,526	2
Research and development expenses	452,978	7	637,892	4	1,413,697	5	1,729,335	4
Expected credit (gain) loss on trade receivables	(2,550)	-	94,525	1	208,553	1	63,143	-
Total operating expenses	683,677	10	1,003,890	7	2,355,084	9	2,689,155	7
PROFIT FROM OPERATIONS	1,157,240	17	1,881,409	13	3,801,796	15	4,742,719	12
NON-OPERATING INCOME AND EXPENSES (Note 21)								
Interest income	428,589	7	309,554	2	1,170,412	4	905,695	3
Other income	7,449	-	28,147	-	35,702	-	105,794	-
Other gains and losses	18,683	-	38,443	-	22,567	-	45,614	-
Finance costs	(1,851)	-	(2,243)	-	(5,542)	-	(7,079)	-
Expected credit loss	(579)	-	(140)	-	(1,168)	-	(618)	-
Share of loss of associates by the equity method	(18,804)	-	(9,221)	-	(40,414)	-	(29,352)	-
Total non-operating income and expenses	433,487	7	364,540	2	1,181,557	4	1,020,054	3
PROFIT BEFORE INCOME TAX	1,590,727	24	2,245,949	15	4,983,353	19	5,762,773	15
INCOME TAX EXPENSE (Note 22)	264,578	4	454,706	3	873,836	3	1,156,308	3
NET PROFIT FOR THE PERIOD	1,326,149	20	1,791,243	12	4,109,517	16	4,606,465	12
OTHER COMPREHENSIVE INCOME (LOSS)								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	5,883	-	5,097	-	335	-	(126,377)	-
Exchange differences on translation to the presentation currency	1,395,671	22	(877,771)	(6)	(2,983,754)	(12)	629,840	1

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ALCHIP TECHNOLOGIES, LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2025		2024		2025		2024	
	Amount	%	Amount	%	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translation of the financial statements of foreign operations	\$ (3,845)	-	\$ 18,499	-	\$ 6,068	-	\$ 6,327	-
Unrealized gain (loss) on investments in debt instruments at fair value through other comprehensive income	10,261	-	23,386	-	18,353	-	20,575	-
Other comprehensive income (loss) for the period, net of income tax	1,407,970	22	(830,789)	(6)	(2,958,998)	(12)	530,365	1
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	\$ 2,734,119	42	\$ 960,454	6	\$ 1,150,519	4	\$ 5,136,830	13
NET PROFIT (LOSS) ATTRIBUTABLE TO Owners of the Company	\$ 1,327,907	20	\$ 1,793,065	12	\$ 4,114,947	16	\$ 4,610,013	12
Non-controlling interests	(1,758)	-	(1,822)	-	(5,430)	-	(3,548)	-
	\$ 1,326,149	20	\$ 1,791,243	12	\$ 4,109,517	16	\$ 4,606,465	12
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO Owners of the Company	\$ 2,735,877	42	\$ 962,276	6	\$ 1,155,949	4	\$ 5,140,378	13
Non-controlling interests	(1,758)	-	(1,822)	-	(5,430)	-	(3,548)	-
	\$ 2,734,119	42	\$ 960,454	6	\$ 1,150,519	4	\$ 5,136,830	13
EARNINGS PER SHARE (Note 23)								
Basic	\$ 16.40		\$ 22.46		\$ 50.89		\$ 58.43	
Diluted	\$ 16.04		\$ 21.99		\$ 49.73		\$ 56.30	

The accompanying notes are an integral part of the consolidated financial statements.

(Concluded)

ALCHIP TECHNOLOGIES, LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of U.S. Dollars, Except Earnings Per Share)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2025	%	2024	%	2025	%	2024	%
	Amount		Amount		Amount		Amount	
OPERATING REVENUE (Note 20)	\$ 222,995	100	\$ 459,673	100	\$ 839,111	100	\$1,214,250	100
OPERATING COSTS (Notes 11 and 21)	<u>161,268</u>	<u>73</u>	<u>370,196</u>	<u>80</u>	<u>641,914</u>	<u>76</u>	<u>982,251</u>	<u>81</u>
GROSS PROFIT	<u>61,727</u>	<u>27</u>	<u>89,477</u>	<u>20</u>	<u>197,197</u>	<u>24</u>	<u>231,999</u>	<u>19</u>
OPERATING EXPENSES (Notes 10, 21 and 27)								
Selling and marketing expenses	1,885	1	2,526	1	6,497	1	6,779	1
General and administrative expenses	5,906	2	5,868	1	16,975	2	21,213	2
Research and development expenses	15,122	7	19,770	4	45,278	5	53,984	4
Expected credit loss on trade receivables	<u>54</u>	<u>-</u>	<u>2,955</u>	<u>1</u>	<u>6,680</u>	<u>1</u>	<u>1,971</u>	<u>-</u>
Total operating expenses	<u>22,967</u>	<u>10</u>	<u>31,119</u>	<u>7</u>	<u>75,430</u>	<u>9</u>	<u>83,947</u>	<u>7</u>
PROFIT FROM OPERATIONS	<u>38,760</u>	<u>17</u>	<u>58,358</u>	<u>13</u>	<u>121,767</u>	<u>15</u>	<u>148,052</u>	<u>12</u>
NON-OPERATING INCOME AND EXPENSES (Note 21)								
Interest income	14,202	7	9,586	2	37,487	4	28,273	3
Other income	256	-	869	-	1,143	-	3,303	-
Other gains and losses	601	-	1,199	-	723	-	1,424	-
Finance costs	(62)	-	(69)	-	(178)	-	(221)	-
Expected credit loss	(18)	-	(4)	-	(37)	-	(19)	-
Share of loss of associates by the equity method	<u>(616)</u>	<u>-</u>	<u>(285)</u>	<u>-</u>	<u>(1,294)</u>	<u>-</u>	<u>(916)</u>	<u>-</u>
Total non-operating income and expenses	<u>14,363</u>	<u>7</u>	<u>11,296</u>	<u>2</u>	<u>37,844</u>	<u>4</u>	<u>31,844</u>	<u>3</u>
PROFIT BEFORE INCOME TAX	53,123	24	69,654	15	159,611	19	179,896	15
INCOME TAX EXPENSE (Note 22)	<u>8,864</u>	<u>4</u>	<u>14,103</u>	<u>3</u>	<u>27,988</u>	<u>3</u>	<u>36,096</u>	<u>3</u>
NET PROFIT FOR THE PERIOD	<u>44,259</u>	<u>20</u>	<u>55,551</u>	<u>12</u>	<u>131,623</u>	<u>16</u>	<u>143,800</u>	<u>12</u>
OTHER COMPREHENSIVE INCOME (LOSS)								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	185	-	176	-	11	-	(3,945)	-

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ALCHIP TECHNOLOGIES, LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of U.S. Dollars, Except Earnings Per Share)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2025		2024		2025		2024	
	Amount	%	Amount	%	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translation of the financial statements of foreign operations	\$ (118)	-	\$ 580	-	\$ 194	-	\$ 198	-
Unrealized gain (loss) on investments in debt instruments at fair value through other comprehensive income	334	-	730	-	588	-	642	-
Other comprehensive income (loss) for the period, net of income tax	401	-	1,486	-	793	-	(3,105)	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	\$ 44,660	20	\$ 57,037	12	\$ 132,416	16	\$ 140,695	12
NET PROFIT (LOSS) ATTRIBUTABLE TO Owners of the Company	\$ 44,317	20	\$ 55,608	12	\$ 131,797	16	\$ 143,911	12
Non-controlling interests	(58)	-	(57)	-	(174)	-	(111)	-
	\$ 44,259	20	\$ 55,551	12	\$ 131,623	16	\$ 143,800	12
TOTAL COMPREHENSIVE INCOME (LOSS)	\$ 44,718	20	\$ 57,094	12	\$ 132,590	16	\$ 140,806	12
ATTRIBUTABLE TO Owners of the Company	(58)	-	(57)	-	(174)	-	(111)	-
Non-controlling interests								
	\$ 44,660	20	\$ 57,037	12	\$ 132,416	16	\$ 140,695	12
EARNINGS PER SHARE (Note 23)								
Basic	\$ 0.55		\$ 0.70		\$ 1.63		\$ 1.82	
Diluted	\$ 0.54		\$ 0.68		\$ 1.59		\$ 1.76	

The accompanying notes are an integral part of the consolidated financial statements.

(Concluded)

ALCHIP TECHNOLOGIES, LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company											Other Equity			Non-controlling Interests		Total Equity		
	Share Capital	Share Premium	Capital Surplus			Total	Special Reserve	Retained Earnings			Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total						
			Share Options	Other	Total			Unappropriated Earnings	Total										
BALANCE ON JANUARY 1, 2024	\$ 743,187	\$ 9,555,301	\$ 864,395	\$ -	\$ 10,419,696	\$ 67,693	\$ 6,057,071	\$ 6,124,764	\$ 659,382	\$ 67,085	\$ 18,014,114	\$ 20,303	\$ 18,034,417						
Appropriation of 2023's earnings																			
Cash dividends	-	-	-	-	-	-	-	(1,818,236)	(1,818,236)	-	-	(1,818,236)	-	(1,818,236)					
Issuance of ordinary shares in the form of sponsored Global Depositary Receipts	37,000	12,782,410	-	-	12,782,410	-	-	-	-	-	-	12,819,410	-	12,819,410					
Issuance of ordinary shares by private placement	2,245	532,602	-	-	532,602	-	-	-	-	-	-	534,847	-	534,847					
Share-based payments	-	-	159,511	-	159,511	-	-	-	-	-	-	159,511	-	159,511					
Issuance of ordinary shares under the employee share options	16,448	588,859	(217,952)	-	370,907	-	-	-	-	-	-	387,355	-	387,355					
Net profit (loss) for the nine months ended September 30, 2024	-	-	-	-	-	-	4,610,013	4,610,013	-	-	4,610,013	(3,548)	4,606,465						
Other comprehensive income (loss) for the nine months ended September 30, 2024, net of income tax	-	-	-	-	-	-	-	-	636,167	(105,802)	530,365	-	530,365						
Total comprehensive income (loss) for the nine months ended September 30, 2024	-	-	-	-	-	-	4,610,013	4,610,013	636,167	(105,802)	5,140,378	(3,548)	5,136,830						
Changes in capital surplus from investments in associates accounted for using the equity method	-	-	-	16,015	16,015	-	-	-	-	-	16,015	-	16,015						
BALANCE ON SEPTEMBER 30, 2024	\$ 798,880	\$ 23,459,172	\$ 805,954	\$ 16,015	\$ 24,281,141	\$ 67,693	\$ 8,848,848	\$ 8,916,541	\$ 1,295,549	\$ (38,717)	\$ 35,253,394	\$ 16,755	\$ 35,270,149						
BALANCE ON JANUARY 1, 2025	\$ 806,485	\$ 24,512,204	\$ 818,578	\$ 19,695	\$ 25,350,477	\$ 67,693	\$ 10,684,554	\$ 10,752,247	\$ 2,592,518	\$ (46,005)	\$ 39,455,722	\$ 21,124	\$ 39,476,846						
Appropriation of 2024's earnings																			
Cash dividends	-	-	-	-	-	-	(2,945,750)	(2,945,750)	-	-	(2,945,750)	-	(2,945,750)						
Share-based payments	-	-	62,143	-	62,143	-	-	-	-	-	-	62,143	-	62,143					
Issuance of ordinary shares under the employee share options	3,664	311,678	(119,965)	-	191,713	-	-	-	-	-	-	195,377	-	195,377					
Net profit (loss) for the nine months ended September 30, 2025	-	-	-	-	-	-	4,114,947	4,114,947	-	-	4,114,947	(5,430)	4,109,517						
Other comprehensive income (loss) for the nine months ended September 30, 2025, net of income tax	-	-	-	-	-	-	-	-	(2,977,686)	18,688	(2,958,998)	-	(2,958,998)						
Total comprehensive income (loss) for the nine months ended September 30, 2025	-	-	-	-	-	-	4,114,947	4,114,947	(2,977,686)	18,688	1,155,949	(5,430)	1,150,519						
Changes in capital surplus from investments in associates accounted for using the equity method	-	-	-	(751)	(751)	-	-	-	-	-	(751)	-	(751)						
BALANCE ON SEPTEMBER 30, 2025	\$ 810,149	\$ 24,823,882	\$ 760,756	\$ 18,944	\$ 25,603,582	\$ 67,693	\$ 11,853,751	\$ 11,921,444	\$ (385,168)	\$ (27,317)	\$ 37,922,690	\$ 15,694	\$ 37,938,384						

The accompanying notes are an integral part of the consolidated financial statements.

ALCHIP TECHNOLOGIES, LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of U.S. Dollars)

	Equity Attributable to Owners of the Company												Other Equity			Non-controlling Interests		Total Equity				
							Retained Earnings			Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total										
	Share Capital	Share Premium	Share Options	Other	Total	Special Reserve	Unappropriated Earnings	Total														
BALANCE ON JANUARY 1, 2024	\$ 23,814	\$ 328,712	\$ 27,603	\$ -	\$ 356,315	\$ 2,799	\$ 202,377	\$ 205,176	\$ (910)	\$ 2,294	\$ 586,689	\$ 657	\$ 587,346									
Appropriation of 2023's earnings																						
Cash dividends	-	-	-	-	-	-	(56,301)	(56,301)	-	-	(56,301)	-	(56,301)	-	-	(56,301)						
Issuance of ordinary shares in the form of sponsored Global Depositary Receipts	1,179	407,317	-	-	407,317	-	-	-	-	-	-	408,496	-	408,496								
Issuance of ordinary shares by private placement	69	16,431	-	-	16,431	-	-	-	-	-	-	16,500	-	16,500								
Share-based payments	-	-	4,979	-	4,979	-	-	-	-	-	-	4,979	-	4,979								
Issuance of ordinary shares under the employee share options	516	18,977	(7,328)	-	11,649	-	-	-	-	-	-	12,165	-	12,165								
Net profit (loss) for the nine months ended September 30, 2024	-	-	-	-	-	-	143,911	143,911	-	-	143,911	(111)	143,800									
Other comprehensive income (loss) for the nine months ended September 30, 2024, net of income tax	-	-	-	-	-	-	-	-	198	(3,303)	(3,105)	-	(3,105)									
Total comprehensive income (loss) for the nine months ended September 30, 2024	-	-	-	-	-	-	143,911	143,911	198	(3,303)	140,806	(111)	140,695									
Changes in capital surplus from investments in associates accounted for using the equity method	-	-	-	502	502	-	-	-	-	-	502	-	502									
BALANCE ON SEPTEMBER 30, 2024	<u>\$ 25,578</u>	<u>\$ 771,437</u>	<u>\$ 25,254</u>	<u>\$ 502</u>	<u>\$ 797,193</u>	<u>\$ 2,799</u>	<u>\$ 289,987</u>	<u>\$ 292,786</u>	<u>\$ (712)</u>	<u>\$ (1,009)</u>	<u>\$ 1,113,836</u>	<u>\$ 546</u>	<u>\$ 1,114,382</u>									
BALANCE ON JANUARY 1, 2025	\$ 25,815	\$ 804,334	\$ 25,585	\$ 617	\$ 830,536	\$ 2,799	\$ 346,802	\$ 349,601	\$ (1,293)	\$ (1,228)	\$ 1,203,431	\$ 682	\$ 1,204,113									
Appropriation of 2024's earnings																						
Cash dividends	-	-	-	-	-	-	(98,570)	(98,570)	-	-	(98,570)	-	(98,570)	-	-	(98,570)						
Share-based payments	-	-	1,990	-	1,990	-	-	-	-	-	-	1,990	-	1,990			1,990					
Issuance of ordinary shares under the employee share options	117	10,003	(3,916)	-	6,087	-	-	-	-	-	-	6,204	-	6,204								
Net profit (loss) for the nine months ended September 30, 2025	-	-	-	-	-	-	131,797	131,797	-	-	131,797	(174)	131,623									
Other comprehensive income for the nine months ended September 30, 2025, net of income tax	-	-	-	-	-	-	-	-	194	599	793	-	793									
Total comprehensive income (loss) for the nine months ended September 30, 2025	-	-	-	-	-	-	131,797	131,797	194	599	132,590	(174)	132,416									
Changes in capital surplus from investments in associates accounted for using the equity method	-	-	-	(24)	(24)	-	-	-	-	-	(24)	-	(24)	-	-	(24)						
BALANCE ON SEPTEMBER 30, 2025	<u>\$ 25,932</u>	<u>\$ 814,337</u>	<u>\$ 23,659</u>	<u>\$ 593</u>	<u>\$ 838,589</u>	<u>\$ 2,799</u>	<u>\$ 380,029</u>	<u>\$ 382,828</u>	<u>\$ (1,099)</u>	<u>\$ (629)</u>	<u>\$ 1,245,621</u>	<u>\$ 508</u>	<u>\$ 1,246,129</u>									

The accompanying notes are an integral part of the consolidated financial statements.

ALCHIP TECHNOLOGIES, LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars or U.S. Dollars)

	For the Nine Months Ended September 30			
	2025		2024	
	USD	NTD	USD	NTD
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax	\$ 159,611	\$ 4,983,353	\$ 179,896	\$ 5,762,773
Adjustments for:				
Depreciation and amortization	72,033	2,249,031	52,832	1,692,424
Expected credit loss	6,717	209,721	1,990	63,761
Finance costs	178	5,542	221	7,079
Interest income	(37,487)	(1,170,412)	(28,273)	(905,695)
Share-based compensation	1,990	62,143	4,979	159,511
Share of loss of associates by the equity method	1,294	40,414	916	29,352
Loss (gain) on disposal of equipment	17	543	(10)	(322)
Loss (gain) on disposal of financial assets	2	48	(10)	(311)
Write-down (reversal) of inventories	24,716	771,675	(709)	(22,702)
Net unrealized gain on foreign currency exchange	(748)	(18,201)	(2,915)	(83,721)
Amortization of prepayments	7,302	227,977	7,580	242,805
Net changes in operating assets and liabilities				
Trade receivables	74,336	2,320,907	(151,216)	(4,844,067)
Other receivables	7,659	239,143	869	27,819
Inventories	185,380	5,787,934	(26,449)	(847,296)
Prepayments	(3,977)	(124,149)	1,710	54,799
Other current assets	7,797	243,438	(14,594)	(467,522)
Contract liabilities	125,029	3,903,676	(88,885)	(2,847,357)
Trade payables	(47,332)	(1,477,810)	12,903	413,329
Other payables	(1,567)	(54,069)	14,985	470,402
Other payables to related parties	(1,081)	(33,751)	-	-
Other current liabilities	(813)	(25,400)	(792)	(25,347)
Deferred revenue	9	253	(915)	(29,295)
Net cash generated from (used in) operations	581,065	18,142,006	(35,887)	(1,149,581)
Interest paid	(178)	(5,542)	(221)	(7,079)
Income tax paid	(48,288)	(1,507,655)	(38,528)	(1,234,231)
Net cash generated from (used in) operating activities	<u>532,599</u>	<u>16,628,809</u>	<u>(74,636)</u>	<u>(2,390,891)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of financial assets at fair value through other comprehensive income	(30,786)	(961,212)	(29,994)	(960,812)
Proceeds from sale of financial assets at fair value through other comprehensive income	1,400	43,711	3,000	96,102
				(Continued)

ALCHIP TECHNOLOGIES, LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars or U.S. Dollars)

	For the Nine Months Ended September 30			
	2025		2024	
	USD	NTD	USD	NTD
Purchase of financial assets at amortized cost	\$ (301,069)	\$ (9,399,988)	\$ (97,256)	\$ (3,115,484)
Proceeds from sale of financial assets at amortized cost	193,251	6,033,676	161,682	5,179,313
Acquisition of investments accounted for using the equity method	-	-	(2,100)	(67,001)
Payments for purchase of equipment	(66,730)	(2,083,425)	(66,548)	(2,131,793)
Proceeds from disposal of equipment	6	195	22	712
Payments for refundable deposits	(555)	(17,325)	(155)	(4,972)
Inward of refundable deposits	225	7,011	105	3,353
Payments for purchase of intangible assets	(8,211)	(256,347)	(13,206)	(423,087)
Interest received	<u>36,741</u>	<u>1,147,111</u>	<u>28,469</u>	<u>911,992</u>
Net cash used in investing activities	<u>(175,728)</u>	<u>(5,486,593)</u>	<u>(15,981)</u>	<u>(511,677)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issuance of ordinary shares in the form of sponsored Global Depository Receipts	-	-	408,496	12,819,410
Proceeds from issuance of ordinary shares by private placement	-	-	16,500	534,847
Repayment of the principal portion of lease liabilities	(954)	(29,790)	(2,704)	(86,609)
Dividends paid to owners of the Company	(95,690)	(2,859,691)	(54,613)	(1,763,726)
Proceeds from exercise of employee share options	<u>6,204</u>	<u>195,377</u>	<u>12,165</u>	<u>387,355</u>
Net cash (used in) generated from financing activities	<u>(90,440)</u>	<u>(2,694,104)</u>	<u>379,844</u>	<u>11,891,277</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	<u>1,097</u>	<u>(2,233,466)</u>	<u>2,861</u>	<u>568,530</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	267,528	6,214,646	292,088	9,557,239
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	824,896	27,044,210	330,876	10,159,556
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$1,092,424</u>	<u>\$33,258,856</u>	<u>\$622,964</u>	<u>\$19,716,795</u>

The accompanying notes are an integral part of the consolidated financial statements.

(Concluded)

ALCHIP TECHNOLOGIES, LIMITED AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024 (In Thousands of U.S. Dollars and New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Alchip Technologies, Limited (the “Company”) was incorporated in the Cayman Islands on February 27, 2003. The Company is mainly engaged in the research and development, design and manufacture of fabless application specific integrated circuits (ASIC) and system on a chip (SOC) and the rendering of related services.

The Company’s shares have been listed on the Taiwan Stock Exchange (TWSE) since October 28, 2014. In January 2021, the Company listed some of its shares of stock on the Luxembourg Stock Exchange (LuxSE) in the form of Global Depository Receipts (GDRs).

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on November 5, 2025.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

- a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC) and SIC Interpretations (SIC) (collectively, the “IFRS Accounting Standards”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The initial application of the Amendments to IAS 21 “Lack of Exchangeability” did not have a material impact on the Group’s accounting policies.

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2026

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”	January 1, 2026
Annual Improvements to IFRS Accounting Standards - Volume 11 IFRS 17 “Insurance Contracts” (including the 2020 and 2021 amendments to IFRS 17)	January 1, 2026
	January 1, 2023

As of the date the consolidated financial statements were authorized for issue, the Group has assessed that the application of the above standards and interpretations will not have a material impact on the Group’s financial position and financial performance.

c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027 (Note 2)
IFRS 19 “Subsidiaries without Public Accountability: Disclosures” (including the 2025 amendments to IFRS 19)	January 1, 2027

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: On September 25, 2025, the FSC announced that IFRS 18 will take effect starting from January 1, 2028. Domestic entities could elect to apply IFRS 18 for an earlier period after the endorsement of IFRS 18 by the FSC.

IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 will supersede IAS 1 “Presentation of Financial Statements”. The main changes comprise:

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discontinued operations categories.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as “other” only if it cannot find a more informative label.
- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing other impact of the above amended standards and interpretations on the Group’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting” as endorsed and issued into effect by the FSC. Disclosure information included in the consolidated financial statements is less than the disclosure information required in a complete set of annual consolidated financial statements.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- 3) Level 3 inputs are unobservable inputs for an asset or liability.

The functional currencies of the Group are the U.S. dollar, Japanese Yen, Malaysian Ringgit, and Vietnamese Dong. For greater comparability and consistency of financial reporting, the consolidated financial statements are presented in New Taiwan dollars since the Company’s shares are listed on the Taiwan Stock Exchange.

The translation process is as follows, assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; equity items are translated at the historical rates, and income and expense items are translated at the average exchange rates for the period, the resulting currency translation differences are recognized into the exchange differences on translation of the financial statements of foreign operations.

c. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries).

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group’s ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

See Note 12, Table 3 and Table 4 for detailed information on subsidiaries, including percentages of ownership and main businesses.

d. Other material accounting policies

Except for the following, please refer to the consolidated financial statements for the year ended December 31, 2024.

Income tax expense

Income tax expense represents the sum of the tax currently payable and deferred tax. The interim period income tax expense is accrued using the tax rate that would be applicable to expected total annual earnings, that is, the estimated average annual effective income tax rate applied to the pre-tax income of the interim period.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimations, and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

Impairment of inventories

The net realizable value of inventories is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The estimation of net realizable value is based on current market conditions and historical experience in the sale of products of a similar nature. Changes in market conditions may have a material impact on the estimation of the net realizable value. Due to the ongoing uncertainty surrounding the development of policies and regulations related to the semiconductor industry, product life cycles may be subject to greater volatility, thereby increasing the uncertainty in assessing impairment of inventories.

6. CASH AND CASH EQUIVALENTS

	September 30, 2025	December 31, 2024	September 30, 2024
NTD			
Demand deposits	\$ 25,672,357	\$ 20,616,900	\$ 12,546,784
Cash equivalents (time deposits with original maturities of 3 months or less)	7,575,118	6,419,978	7,154,604
Checking accounts	11,277	6,987	15,037
Petty cash	104	345	370
	<u>\$ 33,258,856</u>	<u>\$ 27,044,210</u>	<u>\$ 19,716,795</u>
			(Continued)

	September 30, 2025	December 31, 2024	September 30, 2024
USD			
Demand deposits	\$ 843,238	\$ 628,851	\$ 396,423
Cash equivalents (time deposits with original maturities of 3 months or less)	248,813	195,821	226,054
Checking accounts	370	213	475
Petty cash	<u>3</u>	<u>11</u>	<u>12</u>
	<u><u>\$ 1,092,424</u></u>	<u><u>\$ 824,896</u></u>	<u><u>\$ 622,964</u></u>
			(Concluded)

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	September 30, 2025	December 31, 2024	September 30, 2024
NTD			
Investment in debt instruments (a)	\$ 1,775,552	\$ 1,106,998	\$ 1,021,821
Investment in equity instruments (b)	<u>436,271</u>	<u>298,624</u>	<u>263,942</u>
	<u><u>\$ 2,211,823</u></u>	<u><u>\$ 1,405,622</u></u>	<u><u>\$ 1,285,763</u></u>
Current	\$ 172,340	\$ 15,936	\$ -
Non-current	<u>2,039,483</u>	<u>1,389,686</u>	<u>1,285,763</u>
	<u><u>\$ 2,211,823</u></u>	<u><u>\$ 1,405,622</u></u>	<u><u>\$ 1,285,763</u></u>
USD			
Investment in debt instruments (a)	\$ 58,320	\$ 33,765	\$ 32,285
Investment in equity instruments (b)	<u>14,330</u>	<u>9,109</u>	<u>8,339</u>
	<u><u>\$ 72,650</u></u>	<u><u>\$ 42,874</u></u>	<u><u>\$ 40,624</u></u>
Current	\$ 5,661	\$ 486	\$ -
Non-current	<u>66,989</u>	<u>42,388</u>	<u>40,624</u>
	<u><u>\$ 72,650</u></u>	<u><u>\$ 42,874</u></u>	<u><u>\$ 40,624</u></u>

a. Investments in debt instruments

The Group's investment in debt instruments primarily consist of investments in overseas corporate bonds. For detailed information of the bonds, please refer to Table 1. The coupon rates of the bonds range from 1.25% to 6.30% and effective interest rates range from 1.19% to 5.60%.

Refer to Note 9 for information on credit risk management and impairment assessment related to debt instruments classified as at fair value through other comprehensive income (FVTOCI).

b. Investments in equity instruments

	September 30, 2025	December 31, 2024	September 30, 2024
<u>NTD</u>			
<u>Non-current</u>			
Domestic investments			
Unlisted shares	\$ 30,445	\$ 10,123	\$ 13,127
Foreign investments			
Equity investment fund	<u>405,826</u>	<u>288,501</u>	<u>250,815</u>
	<u>\$ 436,271</u>	<u>\$ 298,624</u>	<u>\$ 263,942</u>

USD

Non-current

Domestic investments			
Unlisted shares	\$ 1,000	\$ 309	\$ 414
Foreign investments			
Equity investment fund	<u>13,330</u>	<u>8,800</u>	<u>7,925</u>
	<u>\$ 14,330</u>	<u>\$ 9,109</u>	<u>\$ 8,339</u>

The Group invested in Uniconn Interconnections Technology Co., Ltd., Brillink Inc., KQ (Shenzhen) Semiconductor Technology Industry Equity Investment Fund, KQ (Suzhou) Emerging Industry Venture Equity Investment Fund and ACHI CAPITAL PARTNERS FUND L.P. for medium to long-term strategic purposes. Accordingly, the management designates these investments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

8. FINANCIAL ASSETS AT AMORTIZED COST

	September 30, 2025	December 31, 2024	September 30, 2024
<u>NTD</u>			
Time deposits with original maturities of more than 3 months			
Pledged time deposits (Note 28)	\$ 5,538,710 <u>30,349</u>	\$ 2,428,787 <u>30,090</u>	\$ 2,030,478 <u>30,090</u>
	<u>\$ 5,569,059</u>	<u>\$ 2,458,877</u>	<u>\$ 2,060,568</u>
Current	\$ 5,483,365	\$ 2,367,661	\$ 1,970,235
Non-current	<u>85,694</u>	<u>91,216</u>	<u>90,333</u>
	<u>\$ 5,569,059</u>	<u>\$ 2,458,877</u>	<u>\$ 2,060,568</u>
(Continued)			

	September 30, 2025	December 31, 2024	September 30, 2024
<u>USD</u>			
Time deposits with original maturities of more than 3 months	\$ 181,925	\$ 74,082	\$ 64,154
Pledged time deposits (Note 28)	<u>997</u>	<u>918</u>	<u>951</u>
	<u><u>\$ 182,922</u></u>	<u><u>\$ 75,000</u></u>	<u><u>\$ 65,105</u></u>
Current	\$ 180,107	\$ 72,218	\$ 62,251
Non-current	<u>2,815</u>	<u>2,782</u>	<u>2,854</u>
	<u><u>\$ 182,922</u></u>	<u><u>\$ 75,000</u></u>	<u><u>\$ 65,105</u></u>
			(Concluded)

Refer to Note 9 for information on credit risk management and impairment loss assessment related to financial assets at amortized cost.

9. CREDIT RISK MANAGEMENT FOR INVESTMENTS IN DEBT INSTRUMENTS

Investments in debt instruments classified as at FVTOCI and as at amortized cost were as follows:

September 30, 2025

	At FVTOCI		At Amortized Cost	
	NTD	USD	NTD	USD
Gross carrying amount	\$ 1,759,185	\$ 57,782	\$ 5,569,059	\$ 182,922
Less: Allowance for impairment loss	<u>(1,800)</u>	<u>(58)</u>	<u>-</u>	<u>-</u>
Amortized cost	1,757,385	57,724	<u>\$ 5,569,059</u>	<u>\$ 182,922</u>
Adjustment to fair value	<u>18,167</u>	<u>596</u>		
	<u><u>\$ 1,775,552</u></u>	<u><u>\$ 58,320</u></u>		

December 31, 2024

	At FVTOCI		At Amortized Cost	
	NTD	USD	NTD	USD
Gross carrying amount	\$ 1,107,447	\$ 33,779	\$ 2,458,877	\$ 75,000
Less: Allowance for impairment loss	<u>(741)</u>	<u>(22)</u>	<u>-</u>	<u>-</u>
Amortized cost	1,106,706	33,757	<u>\$ 2,458,877</u>	<u>\$ 75,000</u>
Adjustment to fair value	<u>292</u>	<u>8</u>		
	<u><u>\$ 1,106,998</u></u>	<u><u>\$ 33,765</u></u>		

September 30, 2024

	At FVTOCI		At Amortized Cost	
	NTD	USD	NTD	USD
Gross carrying amount	\$ 1,004,968	\$ 31,753	\$ 2,060,568	\$ 65,105
Less: Allowance for impairment loss	(672)	(21)	-	-
Amortized cost	1,004,296	31,732	<u>\$ 2,060,568</u>	<u>\$ 65,105</u>
Adjustment to fair value	<u>17,525</u>	<u>553</u>		
	<u>\$ 1,021,821</u>	<u>\$ 32,285</u>		

The credit rating information is supplied by an independent credit rating agency (CRA) in order to continuously track and supervise the credit risk change of the investments in debt instruments. At the same time, the Group reviews the information such as bond yield rate curve and debtors' information announced to assess whether the credit risk of investment in debt instruments has significantly increased since the initial recognition.

The Group considers the historical probability of default and loss given default of each level provided by CRA, the current financial condition of debtors, and its business outlook in order to measure the 12-month expected credit loss (ECL) or lifetime ECL of the debt instruments. The current credit risk rating mechanism used by the Group is as follows:

Category	Description	Basis for Recognizing ECLs
Performing	The counterparty has a low risk of default and a strong capacity to meet contractual cash flows i.e., the Moody's rating is above Level B	12-month ECLs
Doubtful	The credit risk has significantly increased since the initial recognition, i.e., the Moody's rating has moved from above Level B to below Level B	Lifetime ECLs - not credit impaired
In default	There is evidence indicating the asset is credit impaired	Lifetime ECLs - credit impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off

The gross carrying amounts of debt instrument investments classified by credit category and the corresponding expected loss rates are shown below:

September 30, 2025

Category	Expected Loss Rate	Total Carrying Amount			
		At FVTOCI		At Amortized Cost	
		NTD	USD	NTD	USD
Performing	0.00%-2.04%	\$ 1,759,185	\$ 57,782	\$ 5,569,059	\$ 182,922
Doubtful	-	-	-	-	-
In default	-	-	-	-	-
Write-off	-	-	-	-	-

December 31, 2024

Category	Expected Loss Rate	Total Carrying Amount			
		At FVTOCI		At Amortized Cost	
		NTD	USD	NTD	USD
Performing	0.06%-0.12%	\$ 1,107,447	\$ 33,779	\$ 2,458,877	\$ 75,000
Doubtful	-	-	-	-	-
In default	-	-	-	-	-
Write-off	-	-	-	-	-

September 30, 2024

Category	Expected Loss Rate	Total Carrying Amount			
		At FVTOCI		At Amortized Cost	
		NTD	USD	NTD	USD
Performing	0.06%-0.12%	\$ 1,004,968	\$ 31,753	\$ 2,060,568	\$ 65,105
Doubtful	-	-	-	-	-
In default	-	-	-	-	-
Write-off	-	-	-	-	-

Regarding the investments in debt instruments measured by FVTOCI and amortized cost, the loss allowance change information based on the credit risk rating is summarized as follows:

	Credit Rating		
	Performing	Doubtful	In Default
<u>NTD</u>			
Balance at January 1, 2025	\$ 741	\$ -	\$ -
New debt instruments purchased	1,168	-	-
Derecognition	(28)	-	-
Change in model/risk parameters	(1)	-	-
Change in exchange rates or others	<u>(80)</u>	<u>-</u>	<u>-</u>
Balance at September 30, 2025	<u>\$ 1,800</u>	<u>\$ -</u>	<u>\$ -</u>
Balance at January 1, 2024	\$ 357	\$ -	\$ 69,481
New debt instruments purchased	619	-	-
Derecognition	(311)	-	(72,488)
Change in exchange rates or others	<u>7</u>	<u>-</u>	<u>3,007</u>
Balance at September 30, 2024	<u>\$ 672</u>	<u>\$ -</u>	<u>\$ -</u>
<u>USD</u>			
Balance at January 1, 2025	\$ 22	\$ -	\$ -
New debt instruments purchased	37	-	-
Derecognition	<u>(1)</u>	<u>-</u>	<u>-</u>
Balance at September 30, 2025	<u>\$ 58</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

	Credit Rating		
	Performing	Doubtful	In Default
Balance at January 1, 2024	\$ 11	\$ -	\$ 2,263
New debt instruments purchased	19	-	-
Derecognition	(9)	-	(2,263)
Balance at September 30, 2024	<u>\$ 21</u>	<u>\$ -</u>	<u>\$ -</u> (Concluded)

10. TRADE RECEIVABLES

	September 30, 2025	December 31, 2024	September 30, 2024
<u>NTD</u>			
At amortized cost			
Gross carrying amount	\$ 3,818,796	\$ 6,553,007	\$ 7,814,079
Less: Allowance for impairment loss	<u>(967,784)</u>	<u>(823,174)</u>	<u>(564,520)</u>
	<u>\$ 2,851,012</u>	<u>\$ 5,729,833</u>	<u>\$ 7,249,559</u>
<u>USD</u>			
At amortized cost			
Gross carrying amount	\$ 125,433	\$ 199,878	\$ 246,890
Less: Allowance for impairment loss	<u>(31,788)</u>	<u>(25,108)</u>	<u>(17,836)</u>
	<u>\$ 93,645</u>	<u>\$ 174,770</u>	<u>\$ 229,054</u>

The credit period is 7-100 days. The Group grants credit periods based on customers' financial conditions and historical payment records. In addition, when necessary, customers are requested to make prepayments in order to reduce the risk of financial loss due to delay of payment.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix prepared by reference to the past default experience of the customer, the customer's current financial position, economic condition of the industry in which the customer operates, as well as the GDP forecasts, unemployment rate and industry outlook. As there are different loss patterns for various customer segments, the Group determines expected credit loss ratios by the factors including payment terms, jurisdiction of customers and the status of public listing or nonpublic listing.

The Group writes off a trade receivable when there is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

Aging analysis based on overdue dates of trade receivables was as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
<u>NTD</u>			
Past due within 60 days	\$ 2,509,533	\$ 5,097,925	\$ 6,643,906
Past due 61-120 days	9,065	306,185	265,860
Past due over 121 days	<u>1,300,198</u>	<u>1,148,897</u>	<u>904,313</u>
	<u>\$ 3,818,796</u>	<u>\$ 6,553,007</u>	<u>\$ 7,814,079</u>

USD

Past due within 60 days	\$ 82,429	\$ 155,496	\$ 209,918
Past due 61-120 days	298	9,339	8,400
Past due over 121 days	<u>42,706</u>	<u>35,043</u>	<u>28,572</u>
	<u>\$ 125,433</u>	<u>\$ 199,878</u>	<u>\$ 246,890</u>

The movements of the loss allowance of trade receivables were as follows:

	For the Nine Months Ended September 30	
	2025	2024

NTD

Balance at January 1	\$ 823,174	\$ 487,141
Net remeasurement of loss allowance	208,553	63,143
Foreign exchange gains and losses	<u>(63,943)</u>	<u>14,236</u>
Balance at September 30	<u>\$ 967,784</u>	<u>\$ 564,520</u>

USD

Balance at January 1	\$ 25,108	\$ 15,865
Net remeasurement of loss allowance	<u>6,680</u>	<u>1,971</u>
Balance at September 30	<u>\$ 31,788</u>	<u>\$ 17,836</u>

11. INVENTORIES

	September 30, 2025	December 31, 2024	September 30, 2024
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NTD

Finished goods	\$ 362,379	\$ 2,291,037	\$ 1,399,494
Work in progress	1,257,407	5,563,678	10,453,695
Raw materials	<u>26,238</u>	<u>805,810</u>	<u>977,818</u>
	<u>\$ 1,646,024</u>	<u>\$ 8,660,525</u>	<u>\$ 12,831,007</u>
			(Continued)

	September 30, 2025	December 31, 2024	September 30, 2024
<u>USD</u>			
Finished goods	\$ 11,903	\$ 69,881	\$ 44,218
Work in progress	41,300	169,701	330,291
Raw materials	<u>862</u>	<u>24,579</u>	<u>30,894</u>
	<u><u>\$ 54,065</u></u>	<u><u>\$ 264,161</u></u>	<u><u>\$ 405,403</u></u>
(Concluded)			

The cost of integrated circuit recognized as cost of goods sold for the three months ended September 30, 2025 and 2024 were NT\$4,477,061 thousand (US\$152,148 thousand) and NT\$11,561,764 thousand (US\$358,476 thousand), respectively, and for the nine months ended September 30, 2025 and 2024 were NT\$18,145,778 thousand (US\$581,186 thousand) and NT\$30,358,674 thousand (US\$947,702 thousand), respectively.

The cost of goods sold for the three months ended September 30, 2025 and 2024 and for the nine months ended September 30, 2025 and 2024 included a write-down of inventory of NT\$583,135 thousand (US\$18,798 thousand), NT\$7,826 thousand (US\$248 thousand) and NT\$771,675 thousand (US\$24,716 thousand), respectively, and a reversal of inventory write-down of NT\$22,702 thousand (US\$709 thousand).

12. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

Investor	Investee	Nature of Activities	Proportion of Ownership (%)			Remark
			September 30, 2025	December 31, 2024	September 30, 2024	
The Company	Alchip Technologies, Limited (registered in Hong Kong) (referred to as "Alchip HK")	Investments	100	100	100	-
	AlChip Technologies, Inc. (registered in the U.S.A.) (referred to as "Alchip USA")	Product technical support and consulting services.	100	100	100	-
	Alchip Technologies, KK (registered in Japan) (referred to as "Alchip KK")	Product technical support and consulting services.	100	100	100	-
	Alchip Technologies, Inc. (registered in Taiwan) (referred to as "Alchip TW")	Sales of ASIC and SOC.	100	100	100	-
	Alchip Investment Inc. (registered in the British Virgin Islands) (referred to as "Alchip BVI")	Investments	100	100	100	-
	Alchip Technologies Malaysia Sdn. Bhd. (registered in Malaysia) (referred to as "Alchip MY")	Research and development, design, and sales of ASIC and SOC and rendering of related services.	100	100	100	-
	Alchip Technologies (Shanghai) (registered in China) (referred to as "Alchip Shanghai")	Research and development, design, and sales of ASIC and SOC and rendering of related services.	100	100	100	-
	Alchip Technologies (Wuxi) (registered in China) (referred to as "Alchip Wuxi")	Research and development, design, and rendering of related services.	100	100	100	-
	Alchip Technologies (Hefei) (registered in China) (referred to as "Alchip Hefei")	Research and development, design, and sales of ASIC and SOC and rendering of related services.	100	100	100	-
	Alchip Technologies (Jinan) (registered in China) (referred to as "Alchip Jinan")	Research and development, design, and sales of ASIC and SOC and rendering of related services.	100	100	100	-
Alchip HK	Alchip Technologies (Guangzhou) (registered in China) (referred to as "Alchip Guangzhou")	Research and development, design, and sales of ASIC and SOC and rendering of related services.	100	100	100	-
	Alchip Technologies (Vietnam) Company Limited (registered in Vietnam) (referred to as "Alchip VN")	Research and development, design, and sales of ASIC and SOC and rendering of related services.	100	100	-	Note
	Chiptopia (Shanghai) Technology Co., Ltd (registered in China) (referred to as "Chiptopia Shanghai")	Software development, design and service, and sales of ASIC and SOC and rendering of related services.	65	65	65	-
Alchip Guangzhou	Alchip Technologies (Chongqing) (registered in China) (referred to as "Alchip Chongqing")	Research and development, design, and sales of ASIC and SOC and rendering of related services.	100	100	100	-

Note: The Company was established in September 2024 and commenced operations in October 2024.

b. Subsidiaries excluded from the consolidated financial statements: None.

13. PROPERTY, PLANT AND EQUIPMENT

	September 30, 2025	December 31, 2024	September 30, 2024
<u>NTD</u>			
Machinery equipment	\$ 1,527,835	\$ 1,705,033	\$ 2,461,495
Computer equipment	44,882	59,899	69,683
Office equipment	6,090	7,541	8,397
Transportation equipment	24,006	2,178	2,271
Leasehold improvements	<u>1,538</u>	<u>805</u>	<u>1,539</u>
	<u>\$ 1,604,351</u>	<u>\$ 1,775,456</u>	<u>\$ 2,543,385</u>
<u>USD</u>			
Machinery equipment	\$ 50,183	\$ 52,005	\$ 77,772
Computer equipment	1,474	1,827	2,202
Office equipment	200	232	265
Transportation equipment	789	67	72
Leasehold improvements	<u>51</u>	<u>24</u>	<u>49</u>
	<u>\$ 52,697</u>	<u>\$ 54,155</u>	<u>\$ 80,360</u>

The Group acquired additional machinery equipment amounted to NT\$1,884,315 thousand (US\$60,352 thousand) and NT\$2,499,146 thousand (US\$78,015 thousand) for the nine months ended September 30, 2025 and 2024, respectively. Except for the aforementioned additions and the recognition of depreciation expenses, there were no material changes in the Group's property, plant, and equipment.

The above items of property, plant and equipment used by the Group are depreciated on a straight-line basis over their estimated useful lives as follows:

Machinery equipment	1-5 years
Computer equipment	3-5 years
Office equipment	3-5 years
Transportation equipment	3 years
Leasehold improvements	2-6 years

14. LEASE ARRANGEMENTS

a. Right-of-use assets

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Carrying amounts</u>			
<u>NTD</u>			
Buildings	\$ 193,127	\$ 81,663	\$ 86,974
Machinery equipment	<u>109,295</u>	<u>151,468</u>	<u>156,426</u>
	<u>\$ 302,422</u>	<u>\$ 233,131</u>	<u>\$ 243,400</u>
<u>USD</u>			
Buildings	\$ 6,343	\$ 2,491	\$ 2,748
Machinery equipment	<u>3,590</u>	<u>4,620</u>	<u>4,942</u>
	<u>\$ 9,933</u>	<u>\$ 7,111</u>	<u>\$ 7,690</u>
For the Nine Months Ended September 30			
	2025	2024	
<u>NTD</u>			
Additions to right-of-use assets	<u>\$ 150,051</u>	<u>\$ 54,907</u>	
<u>USD</u>			
Additions to right-of-use assets	<u>\$ 4,923</u>	<u>\$ 1,739</u>	
For the Three Months Ended September 30			
	2025	2024	
<u>NTD</u>			
Depreciation charge for right-of-use assets			
Buildings	\$ 8,572	\$ 14,410	\$ 34,347
Machinery equipment	<u>9,595</u>	<u>10,411</u>	<u>30,133</u>
	<u>\$ 18,167</u>	<u>\$ 24,821</u>	<u>\$ 64,480</u>
			\$ 71,709
			(Continued)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
<u>USD</u>				
Depreciation charge for right-of-use assets				
Buildings	\$ 291	\$ 447	\$ 1,100	\$ 1,272
Machinery equipment	<u>320</u>	<u>322</u>	<u>965</u>	<u>967</u>
	<u>\$ 611</u>	<u>\$ 769</u>	<u>\$ 2,065</u>	<u>\$ 2,239</u>
	(Concluded)			

Except for the aforementioned addition and the recognition of depreciation expense, the Group did not have significant sublease or impairment of right-of-use assets for the nine months ended September 30, 2025 and 2024.

b. Lease liabilities

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Carrying amounts</u>			
<u>NTD</u>			
Current	\$ 94,364	\$ 75,430	\$ 81,095
Non-current	<u>\$ 221,894</u>	<u>\$ 131,900</u>	<u>\$ 130,369</u>
<u>USD</u>			
Current	\$ 3,099	\$ 2,301	\$ 2,562
Non-current	<u>\$ 7,288</u>	<u>\$ 4,023</u>	<u>\$ 4,119</u>

Range of discount rates for lease liabilities was as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Buildings	0.98%-5.48%	0.98%-4.90%	0.98%-4.75%
Machinery equipment	4.20%	4.20%	4.20%

c. Material leasing activities and terms

The Group leases certain buildings for office with lease terms of 2 to 10 years. The Group does not have bargain purchase option to acquire the buildings at the end of the lease terms. In addition, the Group leases servers for product testing and research and development activities with a lease term of 5 years. The lease contract also stipulates that the Group is prohibited from subleasing all or any portion of the underlying assets without the lessor's consent.

Except for the newly leased office, the Group did not enter into any other significant lease contracts for the nine months ended September 30, 2025 and 2024.

d. Other lease information

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
<u>NTD</u>				
Expenses relating to short-term leases	<u>\$ 3,892</u>	<u>\$ 2,754</u>	<u>\$ 12,277</u>	<u>\$ 8,565</u>
Expenses relating to low-value asset leases	<u>\$ _____</u>	<u>\$ 14</u>	<u>\$ 28</u>	<u>\$ 30</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>\$ 4,419</u>	<u>\$ 30,938</u>	<u>\$ 10,992</u>	<u>\$ 37,426</u>
Total cash outflow for leases			<u>\$ (58,629)</u>	<u>\$ (139,709)</u>
<u>USD</u>				
Expenses relating to short-term leases	<u>\$ 130</u>	<u>\$ 85</u>	<u>\$ 393</u>	<u>\$ 267</u>
Expenses relating to low-value asset leases	<u>\$ _____</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 1</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>\$ 146</u>	<u>\$ 965</u>	<u>\$ 352</u>	<u>\$ 1,168</u>
Total cash outflow for leases			<u>\$ (1,878)</u>	<u>\$ (4,361)</u>

All lease commitments (the Group as a lessee) with lease terms commencing after the balance sheet dates are as follows:

	September 30, 2025		December 31, 2024		September 30, 2024	
	NTD	USD	NTD	USD	NTD	USD
Lease commitments	<u>\$ 347,676</u>	<u>\$ 11,420</u>	<u>\$ 230,469</u>	<u>\$ 7,030</u>	<u>\$ 229,580</u>	<u>\$ 7,254</u>

15. INTANGIBLE ASSETS

	September 30, 2025	December 31, 2024	September 30, 2024
<u>NTD</u>			
Silicon Intellectual Property (SIP)	\$ 210,519	\$ 239,920	\$ 278,766
Software cost	<u>3,871</u>	<u>8,010</u>	<u>7,894</u>
	<u>\$ 214,390</u>	<u>\$ 247,930</u>	<u>\$ 286,660</u>
			(Continued)

	September 30, 2025	December 31, 2024	September 30, 2024
<u>USD</u>			
Silicon Intellectual Property (SIP)	\$ 6,915	\$ 7,317	\$ 8,807
Software cost	<u>127</u>	<u>245</u>	<u>250</u>
	<u><u>\$ 7,042</u></u>	<u><u>\$ 7,562</u></u>	<u><u>\$ 9,057</u></u>
			(Concluded)

The Group's addition to SIP amounted to NT\$195,033 thousand (US\$6,247 thousand) and NT\$309,735 thousand (US\$9,669 thousand) for the nine months ended September 30, 2025 and 2024, respectively. Except for the aforementioned changes and the recognition of amortization expenses, there were no significant changes in the consolidated entity's intangible assets.

The above items of intangible assets are amortized on a straight-line basis over the estimated useful lives as follows:

SIP	1-2 years
Software cost	1-3 years

16. PREPAYMENTS

	September 30, 2025	December 31, 2024	September 30, 2024
<u>NTD</u>			
Prepayments for raw materials	\$ 989,304	\$ 1,289,276	\$ 316,883
Prepayment for SIP	<u>291,509</u>	<u>244,747</u>	<u>124,903</u>
Prepayment for electronic design automation (EDA) tools	<u>190,886</u>	<u>81,503</u>	<u>103,771</u>
Others	<u><u>25,814</u></u>	<u><u>36,160</u></u>	<u><u>41,964</u></u>
	<u><u>\$ 1,497,513</u></u>	<u><u>\$ 1,651,686</u></u>	<u><u>\$ 587,521</u></u>

USD

Prepayments for raw materials	\$ 32,495	\$ 39,325	\$ 10,012
Prepayment for SIP	<u>9,575</u>	<u>7,465</u>	<u>3,947</u>
Prepayment for electronic design automation (EDA) tools	<u>6,270</u>	<u>2,486</u>	<u>3,279</u>
Others	<u><u>848</u></u>	<u><u>1,103</u></u>	<u><u>1,325</u></u>
	<u><u>\$ 49,188</u></u>	<u><u>\$ 50,379</u></u>	<u><u>\$ 18,563</u></u>

17. OTHER PAYABLES

	September 30, 2025	December 31, 2024	September 30, 2024
<u>NTD</u>			
Payables for salaries and bonuses	\$ 1,181,532	\$ 1,107,053	\$ 1,207,677
Payables for electronic design automation (EDA) tools	94,426	5,726	-
Payables for dividends	86,059	-	54,510
Payables for technical services	51,828	301,953	81,351
Payables for SIP	8,200	2,198	65,231
Others	<u>33,679</u>	<u>265,867</u>	<u>87,203</u>
	<u><u>\$ 1,455,724</u></u>	<u><u>\$ 1,682,797</u></u>	<u><u>\$ 1,495,972</u></u>
<u>USD</u>			
Payables for salaries and bonuses	\$ 38,809	\$ 33,767	\$ 38,157
Payables for electronic design automation (EDA) tools	3,102	175	-
Payables for dividends	2,880	-	1,688
Payables for technical services	1,702	9,210	2,570
Payables for SIP	269	67	2,061
Others	<u>1,053</u>	<u>8,109</u>	<u>2,790</u>
	<u><u>\$ 47,815</u></u>	<u><u>\$ 51,328</u></u>	<u><u>\$ 47,266</u></u>

18. EQUITY

a. Ordinary shares

	September 30, 2025	December 31, 2024	September 30, 2024
Shares authorized (in thousands of shares)	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
Shares authorized (in thousands of NT\$)	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>
Shares issued and fully paid (in thousands of shares)	<u>81,015</u>	<u>80,649</u>	<u>79,888</u>
Shares issued and fully paid (in thousands of NT\$)	<u>\$ 810,149</u>	<u>\$ 806,485</u>	<u>\$ 798,880</u>
Shares issued and fully paid (in thousands of US\$)	<u>\$ 25,932</u>	<u>\$ 25,815</u>	<u>\$ 25,578</u>

Fully paid ordinary shares, which have a par value of NT\$10, carry one vote per share and the right to dividends. The change in share capital was mainly due to issuing new common shares offered in the form of GDRs, private placement, and the execution of employee share options.

Issuance of GDRs

On December 18, 2020 and December 20, 2023 the Company's shareholders held an extraordinary meeting and resolved the issuance of 7,600 thousand and 3,700 thousand ordinary shares offered in the form of GDRs. Each GDR represents one ordinary share of the Company. These GDRs were listed on the Luxembourg Exchange on January 20, 2021 and January 19, 2024, respectively. As of September 30, 2025, the holders of GDRs had redeemed 11,208.8 thousand units, which were equivalent to 11,208.8 thousand ordinary shares. The outstanding GDRs were equal to 91.2 thousand shares, which accounted for 0.11% of the Company's total outstanding ordinary shares.

Private placement

On June 9, 2023, the shareholders held a meeting and resolved the private placement of ordinary shares with a total limit of 5,000 thousand shares, which can be issued once or twice within one year from the date of the resolution of the shareholders in their meeting.

On June 26, 2023 and May 14, 2024 the Company's board of directors resolved the private placement of ordinary shares. The relevant information is as follows:

	July 10, 2023	May 16, 2024
Number of shares (in thousands)	1,380	225
Par value (NT\$)	\$10	\$10
Subscription price (NT\$)	\$1,448	\$2,382
Total private placement amount (in thousands of NT\$)	\$1,998,240	\$534,847
Total private placement amount (in thousands of US\$)	\$64,439	\$16,500

The board of directors resolved the termination of the remaining limit of 3,395 thousand shares on May 14, 2024.

On May 30, 2024, the shareholders held a meeting and resolved the private placement of ordinary shares with a total limit of 1,000 thousand shares, which can be issued once to three times within one year from the date of the resolution of the shareholders meeting.

On November 1, 2024, the Company's board of directors resolved the private placement of ordinary shares. The relevant information is as follows:

	November 15, 2024
Number of shares (in thousands)	600
Par value (NT\$)	\$10
Subscription price (NT\$)	\$1,627
Total private placement amount (in thousands of NT\$)	\$976,200
Total private placement amount (in thousands of US\$)	\$30,468

The board of directors resolved the termination of the remaining limit of 400 thousand shares on May 9, 2025.

On May 29, 2025, the shareholders held a meeting and resolved the private placement of ordinary shares with a total limit of 1,500 thousand shares. The offering may be executed in one or multiple times (not exceeding three times) within one year from the date of the shareholders' meeting resolution.

The aforementioned rights and obligations of privately issued ordinary shares are the same as those of ordinary shares issued, except for a restriction on trading in accordance with the Securities and Exchange Act, and these shares are not allowed to be timely traded until the Company completes public issuance for these shares 3 years from the closing date.

b. Retained earnings and dividends policy

Under the dividend policy as set forth in the Articles of Incorporation, the Company's annual net income after tax shall offset its losses in previous years, then set aside a special reserve in accordance with the Applicable Public Company Rules of the Republic of China or as requested by the authorities in charge, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which shall be resolved by the shareholders in their meeting for distribution of dividends to shareholders. For the policy on the distribution of employees' compensation and directors' remuneration specified in the Articles of Incorporation, refer to Note 21-(f) Employees' Compensation and Directors' Remuneration.

The Company's Articles of Incorporation also stipulate a dividend policy that distribution of retained earnings may proceed by way of cash or share dividends. The total amount of dividends shall be no less than 10% of the earnings for the year after deducting the amounts specified above. Among these, the amount of cash dividends distributed shall not be less than 10% of the total dividends distributed to shareholders, with a maximum limit of 100%.

The appropriations of earnings for 2024 and 2023 that were resolved by the shareholders in their meetings on May 29, 2025 and May 30, 2024, respectively, were as follows:

	2024			
	Appropriation of Earnings (In Thousand)		Dividends Per Share (In Dollar)	
	USD	NTD	USD	NTD
Cash dividends	\$ 98,570	\$ 2,945,750	\$ 1.221	\$ 36.50
	2023			
	Appropriation of Earnings (In Thousand)		Dividends Per Share (In Dollar)	
	USD	NTD	USD	NTD
Cash dividends	\$ 56,301	\$ 1,818,236	\$ 0.719	\$ 23.22

c. Special reserve

Items referred to under Rule No. 1010012865 and No. 1010047490, issued by the FSC and in the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRS Accounting Standards" should be appropriated to or reversed from a special reserve by the Company.

The exchange differences on translation of the financial statements of foreign operations (including subsidiaries) will be reversed by proportion base on the Group's disposal of foreign operations. However, if the Group losses its significant influence, the cumulative translation adjustments will be fully reversed. When the earnings are appropriated, the Group should consider the difference between debit balance of adjustments in other equity and the special reserve appropriated on the first-time adoption of IFRSs. If the debit balance is reversed, the Group could appropriate the earnings within the reversed portion.

Upon the Company's first-time adoption of IFRS Accounting Standards, retained earnings increased by NT\$63,380 thousand (US\$3,221 thousand), of which NT\$67,693 thousand (US\$2,799 thousand) resulted from the transfer of exchange differences on translation of the financial statements of foreign operations (including subsidiaries) to retained earnings due to the election of exemptions under IFRS 1. Accordingly, a special reserve in the same amount was appropriated.

19. SHARE-BASED PAYMENT ARRANGEMENTS

Employee share option plan of the Company

According to the Company's employee share option plan, each option entitles the holder to subscribe for 1,000 ordinary shares of the Company. The holders of the options are qualified employees, including employees of the Company and its subsidiaries satisfying specific requirements. The options granted are valid for 10 years, 50% become vested after two years from the grant date and 1/48th become vested each month for the subsequent years. The exercise price of the employee share option is the closing price of the Company's ordinary shares on the date of issuance. After the issuance of the employee share option, the exercise price will be adjusted in accordance with the specified formula if there are any changes in the Company's ordinary shares.

Information on employee share options was as follows:

For the Nine Months Ended September 30					
	2025		2024		
	Number of Options	Weighted-average Exercise Price (NT\$)	Number of Options	Weighted-average Exercise Price (NT\$)	
Balance on January 1	2,436,314	\$ 618	4,199,288	\$ 436	
Options granted	20,000	2,280	39,000	2,922	
Options exercised	(366,369)	529	(1,644,755)	234	
Options expired	<u>(5,500)</u>	1,930	<u>(11,691)</u>	893	
Balance on September 30	<u>2,084,445</u>	641	<u>2,581,842</u>	593	
Options exercisable, end of the period	<u>1,867,682</u>	504	<u>1,924,898</u>	469	
Weighted-average fair value of options granted (NT\$)	<u>\$ 1,366</u>		<u>\$ 1,737</u>		

The weighted-average share prices on the exercise date of the share options for the nine months ended September 30, 2025 and 2024 were NT\$3,122 and NT\$3,341, respectively.

Information on outstanding options was as follows:

September 30					
2025		2024			
Exercise Price (NT\$)	Weighted-average Remaining Contractual Life (In Years)	Exercise Price (NT\$)	Weighted-average Remaining Contractual Life (In Years)		
\$36.30	0.43	\$36.40	1.43		
24.40	1.12	24.40	2.12		
40.00	1.44	40.10	2.44		
81.20	2.16	81.30	3.16		
95.40	2.27	95.50	3.27		
93.10	2.36	93.20	3.36		
114.80	2.50	115.00	3.50		

(Continued)

September 30

2025		2024	
Exercise Price (NT\$)	Weighted-average Remaining Contractual Life (In Years)	Exercise Price (NT\$)	Weighted-average Remaining Contractual Life (In Years)
\$120.60	2.55	\$120.80	3.55
118.60	2.87	118.80	3.87
85.40	2.98	85.50	3.98
73.30	3.47	73.40	4.47
72.60	3.64	72.70	4.64
93.40	3.86	93.50	4.86
200.90	4.15	201.20	5.15
202.90	4.39	203.20	5.39
262.50	4.58	262.90	5.58
316.30	4.71	319.60	5.71
553.40	4.84	559.10	5.84
546.30	5.21	552.00	6.21
783.90	5.44	792.10	6.44
392.90	5.63	397.00	6.63
553.50	5.89	559.20	6.89
983.70	6.08	994.00	7.08
938.80	6.44	948.60	7.44
846.30	6.59	855.10	7.59
790.90	6.91	799.10	7.91
816.50	7.13	825.00	8.13
1,477.00	7.65	1,492.50	8.65
3,344.60	8.45	3,379.50	9.45
2,462.60	8.91	2,488.30	9.91
2,009.00	9.09		
2,279.70	9.61		

(Concluded)

Options granted for the nine months ended September 30, 2025 and 2024 were priced by Black-Scholes pricing model and the inputs to the model were as follows:

	May 9, 2025	August 26, 2024	March 13, 2024
Grant-date share price (NT\$)	\$2,300	\$2,510	\$3,410
Exercise price (NT\$)	\$2,300	\$2,510	\$3,410
Expected volatility	63.02%-64.16%	63.17%-63.65%	62.71%-63.52%
Expected life (in years)	6-7 years	6-7 years	6-7 years
Expected dividend yield	-	-	-
Risk-free interest rate	1.44%-1.48%	1.48%-1.50%	1.20%-1.21%

Compensation costs recognized were NT\$17,717 thousand (US\$596 thousand) and NT\$54,351 thousand (US\$1,683 thousand) for the three months ended September 30, 2025 and 2024, respectively, and NT\$62,143 thousand (US\$1,990 thousand) and NT\$159,511 thousand (US\$4,979 thousand) for the nine months ended September 30, 2025 and 2024, respectively.

20. REVENUE

a. Contract information

The changes in the contract liability balances primarily result from the timing difference between the satisfaction of performance obligation and the customer's payment. From the contract liability outstanding balance at the beginning of the year, the Group recognized NT\$2,584 thousand (US\$3,555 thousand) and NT\$2,084,921 thousand (US\$64,584 thousand) as revenue for the three months ended September 30, 2025 and 2024, respectively, and the Group recognized NT\$5,424,328 thousand (US\$173,734 thousand) and NT\$5,931,763 thousand (US\$185,171 thousand) as revenue for the nine months ended September 30, 2025 and 2024, respectively.

b. Disaggregation of revenue from contracts with customers

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
<u>NTD</u>				
<u>Production</u>				
ASIC and wafer product	\$ 6,531,157	\$ 14,730,154	\$ 25,959,255	\$ 38,694,367
Non-recurring Engineering (NRE)	27,589	92,236	215,587	187,608
Others	<u>11,114</u>	<u>3,164</u>	<u>23,870</u>	<u>15,322</u>
	<u>\$ 6,569,860</u>	<u>\$ 14,825,554</u>	<u>\$ 26,198,712</u>	<u>\$ 38,897,297</u>
<u>Geography</u>				
United States	\$ 4,828,776	\$ 12,905,602	\$ 21,751,554	\$ 33,020,682
Japan	1,129,292	217,743	2,195,254	533,167
China	509,427	861,193	1,672,173	3,848,474
Taiwan	57,573	123,397	327,116	384,253
Europe	(3,457)	717,619	189,825	1,110,721
Others	<u>48,249</u>	<u>-</u>	<u>62,790</u>	<u>-</u>
	<u>\$ 6,569,860</u>	<u>\$ 14,825,554</u>	<u>\$ 26,198,712</u>	<u>\$ 38,897,297</u>
<u>Application type</u>				
High performance computing	\$ 5,159,056	\$ 14,320,797	\$ 22,571,810	\$ 36,496,807
Consumer	1,223,924	122,001	2,766,276	546,625
Niche market	99,128	243,629	252,850	663,307
Communication	<u>87,752</u>	<u>139,127</u>	<u>607,776</u>	<u>1,190,558</u>
	<u>\$ 6,569,860</u>	<u>\$ 14,825,554</u>	<u>\$ 26,198,712</u>	<u>\$ 38,897,297</u>

(Continued)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
<u>Resolution</u>				
3-nanometer	\$ 1,265,075	\$ 73,718	\$ 2,624,603	\$ 114,105
5-nanometer	3,803,262	3,095,986	14,332,553	5,438,668
7-nanometer	399,550	11,157,804	6,270,380	31,744,682
12-nanometer	567,915	228,258	1,121,757	616,142
16-nanometer and above	<u>534,058</u>	<u>269,788</u>	<u>1,849,419</u>	<u>983,700</u>
	<u><u>\$ 6,569,860</u></u>	<u><u>\$ 14,825,554</u></u>	<u><u>\$ 26,198,712</u></u>	<u><u>\$ 38,897,297</u></u>
<u>USD</u>				
<u>Production</u>				
ASIC and wafer product	\$ 221,626	\$ 456,710	\$ 831,441	\$ 1,207,916
Non-recurring Engineering (NRE)	1,004	2,867	6,905	5,857
Others	<u>365</u>	<u>96</u>	<u>765</u>	<u>477</u>
	<u><u>\$ 222,995</u></u>	<u><u>\$ 459,673</u></u>	<u><u>\$ 839,111</u></u>	<u><u>\$ 1,214,250</u></u>
<u>Geography</u>				
United States	\$ 165,497	\$ 400,254	\$ 696,674	\$ 1,030,801
Japan	36,852	6,756	70,311	16,644
China	17,061	26,495	53,558	120,137
Taiwan	2,017	3,818	10,477	11,995
Europe	13	22,350	6,080	34,673
Others	<u>1,555</u>	<u>-</u>	<u>2,011</u>	<u>-</u>
	<u><u>\$ 222,995</u></u>	<u><u>\$ 459,673</u></u>	<u><u>\$ 839,111</u></u>	<u><u>\$ 1,214,250</u></u>
<u>Application type</u>				
High performance computing	\$ 176,391	\$ 444,163	\$ 722,947	\$ 1,139,315
Consumer	40,188	3,754	88,600	17,064
Niche market	3,273	7,550	8,098	20,706
Communication	<u>3,143</u>	<u>4,206</u>	<u>19,466</u>	<u>37,165</u>
	<u><u>\$ 222,995</u></u>	<u><u>\$ 459,673</u></u>	<u><u>\$ 839,111</u></u>	<u><u>\$ 1,214,250</u></u>
<u>Resolution</u>				
3-nanometer	\$ 41,390	\$ 2,296	\$ 84,063	\$ 3,562
5-nanometer	128,557	96,342	459,054	169,778
7-nanometer	16,557	345,631	200,832	990,968
12-nanometer	18,544	7,075	35,928	19,234
16-nanometer and above	<u>17,947</u>	<u>8,329</u>	<u>59,234</u>	<u>30,708</u>
	<u><u>\$ 222,995</u></u>	<u><u>\$ 459,673</u></u>	<u><u>\$ 839,111</u></u>	<u><u>\$ 1,214,250</u></u>
				(Concluded)

21. NET PROFIT

Net profit included the following items:

a. Interest income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
<u>NTD</u>				
Bank deposits	\$ 379,382	\$ 285,730	\$ 1,007,541	\$ 821,502
Investments in debt instruments at FVTOCI	20,117	10,989	49,237	18,789
Financial assets at amortized cost	29,062	12,702	113,332	65,035
Others	<u>28</u>	<u>133</u>	<u>302</u>	<u>369</u>
	<u>\$ 428,589</u>	<u>\$ 309,554</u>	<u>\$ 1,170,412</u>	<u>\$ 905,695</u>
<u>USD</u>				
Bank deposits	\$ 12,553	\$ 8,850	\$ 32,270	\$ 25,645
Investments in debt instruments at FVTOCI	663	342	1,577	587
Financial assets at amortized cost	985	390	3,630	2,030
Others	<u>1</u>	<u>4</u>	<u>10</u>	<u>11</u>
	<u>\$ 14,202</u>	<u>\$ 9,586</u>	<u>\$ 37,487</u>	<u>\$ 28,273</u>

b. Other gains and losses

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
<u>NTD</u>				
Net foreign exchange gains	\$ 19,020	\$ 38,394	\$ 23,445	\$ 44,692
(Loss) gain on disposal of equipment	(341)	2	(543)	322
Gain (loss) on disposal of financial assets				
Investments in debt instruments at FVTOCI	1	42	(48)	311
Others	<u>3</u>	<u>5</u>	<u>(287)</u>	<u>289</u>
	<u>\$ 18,683</u>	<u>\$ 38,443</u>	<u>\$ 22,567</u>	<u>\$ 45,614</u>
				(Continued)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
USD				
Net foreign exchange gains	\$ 612	\$ 1,197	\$ 751	\$ 1,395
(Loss) gain on disposal of equipment	(11)	-	(17)	10
Gain (loss) on disposal of financial assets				
Investments in debt instruments at FVTOCI	-	2	(2)	10
Others	—	—	(9)	9
	\$ 601	\$ 1,199	\$ 723	\$ 1,424
				(Concluded)

c. Finance costs

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
NTD				
Interest on lease liabilities	\$ 1,851	\$ 2,243	\$ 5,542	\$ 7,079
USD				
Interest on lease liabilities	\$ 62	\$ 69	\$ 178	\$ 221

d. Depreciation and amortization

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
NTD				
Property, plant and equipment	\$ 596,616	\$ 562,444	\$ 1,970,306	\$ 1,168,034
Right-of-use assets	18,167	24,821	64,480	71,709
Intangible assets	79,508	155,450	214,245	452,681
	\$ 694,291	\$ 742,715	\$ 2,249,031	\$ 1,692,424
An analysis of depreciation by function				
Operating costs	\$ 577,991	\$ 539,426	\$ 1,909,931	\$ 1,100,477
Operating expenses	36,792	47,839	124,855	139,266
	\$ 614,783	\$ 587,265	\$ 2,034,786	\$ 1,239,743
				(Continued)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
An analysis of amortization by function				
Operating costs	\$ 77,464	\$ 154,220	\$ 208,004	\$ 449,355
Operating expenses	<u>2,044</u>	<u>1,230</u>	<u>6,241</u>	<u>3,326</u>
	<u><u>\$ 79,508</u></u>	<u><u>\$ 155,450</u></u>	<u><u>\$ 214,245</u></u>	<u><u>\$ 452,681</u></u>
<u>USD</u>				
Property, plant and equipment	\$ 19,988	\$ 17,479	\$ 63,106	\$ 36,462
Right-of-use assets	611	769	2,065	2,239
Intangible assets	<u>2,633</u>	<u>4,814</u>	<u>6,862</u>	<u>14,131</u>
	<u><u>\$ 23,232</u></u>	<u><u>\$ 23,062</u></u>	<u><u>\$ 72,033</u></u>	<u><u>\$ 52,832</u></u>
An analysis of depreciation by function				
Operating costs	\$ 19,365	\$ 16,767	\$ 61,173	\$ 34,354
Operating expenses	<u>1,234</u>	<u>1,481</u>	<u>3,998</u>	<u>4,347</u>
	<u><u>\$ 20,599</u></u>	<u><u>\$ 18,248</u></u>	<u><u>\$ 65,171</u></u>	<u><u>\$ 38,701</u></u>
An analysis of amortization by function				
Operating costs	\$ 2,565	\$ 4,776	\$ 6,662	\$ 14,027
Operating expenses	<u>68</u>	<u>38</u>	<u>200</u>	<u>104</u>
	<u><u>\$ 2,633</u></u>	<u><u>\$ 4,814</u></u>	<u><u>\$ 6,862</u></u>	<u><u>\$ 14,131</u></u>
(Concluded)				

e. Employee benefits expense

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
<u>NTD</u>				
Post-employment benefits				
Defined contribution plan	\$ 20,778	\$ 20,297	\$ 61,339	\$ 58,809
Share-based payments (Note 19)	17,717	54,351	62,143	159,511
Other employee benefits	<u>433,430</u>	<u>552,055</u>	<u>1,415,085</u>	<u>1,638,652</u>
	<u><u>\$ 471,925</u></u>	<u><u>\$ 626,703</u></u>	<u><u>\$ 1,538,567</u></u>	<u><u>\$ 1,856,972</u></u>
(Continued)				

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
	An analysis of employee benefits expense by function			
Operating costs	\$ 6,371	\$ 6,204	\$ 20,944	\$ 19,755
Operating expenses	<u>465,554</u>	<u>620,499</u>	<u>1,517,623</u>	<u>1,837,217</u>
	<u>\$ 471,925</u>	<u>\$ 626,703</u>	<u>\$ 1,538,567</u>	<u>\$ 1,856,972</u>
<u>USD</u>				
Post-employment benefits				
Defined contribution plan	\$ 692	\$ 629	\$ 1,965	\$ 1,836
Share-based payments (Note 19)	596	1,683	1,990	4,979
Other employee benefits	<u>14,510</u>	<u>17,091</u>	<u>45,323</u>	<u>51,153</u>
	<u>\$ 15,798</u>	<u>\$ 19,403</u>	<u>\$ 49,278</u>	<u>\$ 57,968</u>
An analysis of employee benefits expense by function				
Operating costs	\$ 213	\$ 192	\$ 671	\$ 617
Operating expenses	<u>15,585</u>	<u>19,211</u>	<u>48,607</u>	<u>57,351</u>
	<u>\$ 15,798</u>	<u>\$ 19,403</u>	<u>\$ 49,278</u>	<u>\$ 57,968</u>
(Concluded)				

f. Compensation of employees and remuneration of directors

According to the Company's Articles, the Company accrues compensation of employees and remuneration of directors at rates of no less than 1% and no higher than 2%, of net profit before income tax, compensation of employees, and remuneration of directors. The compensation of employees and the remuneration of directors for the three months ended September 30, 2025 and 2024 and the nine months ended September 30, 2025 and 2024, respectively, were as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
	NTD			
Compensation of employees	\$ 65,821	\$ 156,709	\$ 209,187	\$ 402,347
Remuneration of directors	<u>14,974</u>	<u>14,535</u>	<u>46,833</u>	<u>43,246</u>
	<u>\$ 80,795</u>	<u>\$ 171,244</u>	<u>\$ 256,020</u>	<u>\$ 445,593</u>
<u>USD</u>				
Compensation of employees	\$ 2,200	\$ 4,860	\$ 6,700	\$ 12,560
Remuneration of directors	<u>500</u>	<u>450</u>	<u>1,500</u>	<u>1,350</u>
	<u>\$ 2,700</u>	<u>\$ 5,310</u>	<u>\$ 8,200</u>	<u>\$ 13,910</u>

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

The compensation of employees and remuneration of directors for 2024 and 2023 were as follows:

	2024		2023	
	Cash		Cash	
	USD	NTD	USD	NTD
Compensation of employees	\$ 10,000	\$ 321,120	\$ 6,000	\$ 186,930
Remuneration of directors	<u>1,500</u>	<u>48,168</u>	<u>1,250</u>	<u>38,944</u>
	<u><u>\$ 11,500</u></u>	<u><u>\$ 369,288</u></u>	<u><u>\$ 7,250</u></u>	<u><u>\$ 225,874</u></u>
Recognized in annual consolidated financial statements	<u><u>\$ 11,500</u></u>	<u><u>\$ 369,288</u></u>	<u><u>\$ 7,250</u></u>	<u><u>\$ 225,874</u></u>

Information on the compensation of employees and remuneration of directors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

22. INCOME TAX

a. Income tax recognized in profit or loss consisted of the following:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
<u>NTD</u>				
Current tax				
In respect of the current period	\$ 376,857	\$ 457,108	\$ 1,088,976	\$ 1,140,923
Adjustments for prior period	<u>377</u>	<u>5,517</u>	<u>(18,485)</u>	<u>3,754</u>
	<u><u>377,234</u></u>	<u><u>462,625</u></u>	<u><u>1,070,491</u></u>	<u><u>1,144,677</u></u>
Deferred tax				
In respect of the current period	(112,656)	(7,918)	(196,655)	11,632
Adjustments for prior period	<u>-</u>	<u>-</u>	<u>(196,655)</u>	<u>-</u>
	<u><u>(112,656)</u></u>	<u><u>(7,918)</u></u>	<u><u>(196,655)</u></u>	<u><u>11,632</u></u>
Income tax expense recognized in profit or loss	<u><u>\$ 264,578</u></u>	<u><u>\$ 454,706</u></u>	<u><u>\$ 873,836</u></u>	<u><u>\$ 1,156,308</u></u>
	(Continued)			

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
<u>USD</u>				
Current tax				
In respect of the current period	\$ 12,526	\$ 14,181	\$ 34,879	\$ 35,616
Adjustments for prior period	<u> </u> <u> </u>	<u> </u> <u> </u>	<u> </u> <u> </u>	<u> </u> <u> </u>
	<u>12,526</u>	<u>14,353</u>	<u>34,287</u>	<u>35,733</u>
Deferred tax				
In respect of the current period	(3,662)	(250)	(6,299)	363
Adjustments for prior period	<u> </u> <u> </u>	<u> </u> <u> </u>	<u> </u> <u> </u>	<u> </u> <u> </u>
	<u>(3,662)</u>	<u>(250)</u>	<u>(6,299)</u>	<u>363</u>
Income tax expense recognized in profit or loss				
	<u>\$ 8,864</u>	<u>\$ 14,103</u>	<u>\$ 27,988</u>	<u>\$ 36,096</u>
(Concluded)				

The income tax rate is 20% used by the Group's subsidiary and branch located in Taiwan, according to the Income Tax Acts of the Republic of China. Alchip Shanghai is entitled to a preferential tax rate of 10% for qualifying as a key integrated circuit enterprise in 2025. Alchip Jinan and Alchip Wuxi is entitled to a preferential tax rate of 15% for qualifying as a high-tech enterprise in 2025. Chiptopia Shanghai is entitled to a preferential tax rate of 12.5% for qualifying as a software enterprise in 2025. Other China subsidiaries are entitled to the first two years and a half reduction of 12.5% in 2025. The applicable tax rate used by the Group's subsidiary located in Japan is approximately 37%.

b. Income tax recognized in other comprehensive income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024

NTD

Deferred tax

In respect of the current year			
Fair value changes of financial assets at FVTOCI	<u>\$ 1,003</u>	<u>\$ 346</u>	<u>\$ 1,760</u>
			<u>\$ (3,818)</u>

USD

Deferred tax

In respect of the current year			
Fair value changes of financial assets at FVTOCI	<u>\$ 32</u>	<u>\$ 12</u>	<u>\$ 56</u>
			<u>\$ (119)</u>

c. Income tax assessments

Tax returns of Alchip Taiwan Branch and Alchip Technologies Inc. through 2023 have been assessed by the tax authorities, and there is no significant difference between the assessment results and the income tax returns filed.

23. EARNINGS PER SHARE

Unit: USD/NTD Per Share

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
<u>NTD</u>				
Basic earnings per share	<u>\$ 16.40</u>	<u>\$ 22.46</u>	<u>\$ 50.89</u>	<u>\$ 58.43</u>
Diluted earnings per share	<u>\$ 16.04</u>	<u>\$ 21.99</u>	<u>\$ 49.73</u>	<u>\$ 56.30</u>
<u>USD</u>				
Basic earnings per share	<u>\$ 0.55</u>	<u>\$ 0.70</u>	<u>\$ 1.63</u>	<u>\$ 1.82</u>
Diluted earnings per share	<u>\$ 0.54</u>	<u>\$ 0.68</u>	<u>\$ 1.59</u>	<u>\$ 1.76</u>

EPS is computed as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
<u>NTD</u>				
Profit for the period attributable to owners of the Company	<u>\$ 1,327,907</u>	<u>\$ 1,793,065</u>	<u>\$ 4,114,947</u>	<u>\$ 4,610,013</u>
Earnings used in the computation of basic and diluted earnings per share	<u>\$ 1,327,907</u>	<u>\$ 1,793,065</u>	<u>\$ 4,114,947</u>	<u>\$ 4,610,013</u>
<u>USD</u>				
Profit for the period attributable to owners of the Company	<u>\$ 44,317</u>	<u>\$ 55,608</u>	<u>\$ 131,797</u>	<u>\$ 143,911</u>
Earnings used in the computation of basic and diluted earnings per share	<u>\$ 44,317</u>	<u>\$ 55,608</u>	<u>\$ 131,797</u>	<u>\$ 143,911</u>

The weighted average number of ordinary shares outstanding (in thousands of shares) was as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Weighted average number of ordinary shares used in the computation of basic earnings per share	80,983	79,835	80,865	78,899
Effect of potentially dilutive ordinary shares				
Employee share option	1,755	1,616	1,800	2,777
Compensation of employees	<u>59</u>	<u>76</u>	<u>79</u>	<u>211</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>82,797</u>	<u>81,527</u>	<u>82,744</u>	<u>81,887</u>

The Group may settle the compensation of employees in cash or shares; therefore, the Group assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

24. CASH FLOW INFORMATION

Non-cash Transactions

	For the Nine Months Ended September 30			
	2025		2024	
	USD	NTD	USD	NTD
Additions of equipment	\$ 61,664	\$ 1,925,267	\$ 65,914	\$ 2,111,480
Changes in payables for equipment	5,066	166,162	634	19,464
Effect of foreign currency exchange differences	<u>-</u>	<u>(8,004)</u>	<u>-</u>	<u>849</u>
Payments for acquisition of equipment	<u>\$ 66,730</u>	<u>\$ 2,083,425</u>	<u>\$ 66,548</u>	<u>\$ 2,131,793</u>
Additions of intangible assets	\$ 6,341	\$ 197,990	\$ 9,748	\$ 312,283
Changes in prepayment	2,111	46,762	471	18,207
Changes in other payables	(241)	(7,259)	2,987	89,782
Effect of foreign currency exchange differences	<u>-</u>	<u>18,854</u>	<u>-</u>	<u>2,815</u>
Payments for acquisition of intangible assets	<u>\$ 8,211</u>	<u>\$ 256,347</u>	<u>\$ 13,206</u>	<u>\$ 423,087</u>

25. CAPITAL MANAGEMENT

The Group is a fabless application specific circuit provider and expects significant capital expenditure on the purchase of machinery equipment and SIP now and in the near future. Accordingly, the Group's objective is to maintain necessary operating capital, the availability of funds for research and development, the capacity to pay dividends, etc. The Group continuously evaluates the policy of capital management with a conservative attitude.

26. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

Management believes the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements approximate their fair values. Accordingly, the Group takes the carrying amount of those financial assets and liabilities as the basis for evaluating the fair value.

b. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

The Group's financial instruments measured at fair value are financial assets at FVTOCI. The fair value measurements, which are grouped into Level 2 and Level 3 based on the degree to which the fair value measurements are observable.

2) Valuation techniques and inputs applied for Level 2 fair value measurement

Financial Instrument	Valuation Technique and Inputs
Foreign corporate bond investment	Adjusted integration of quoted prices or settlement prices from stock exchange market participants for each corporate bond.

3) Valuation techniques and inputs applied for Level 3 fair value measurement

The fair values of unlisted equity securities were determined by the latest net worth of investee and the financial and operating information of observable companies. The unobservable input used is the non-controlling interests discount and discount for lack of marketability.

There were no transfers between Levels 1 and 2 for the nine months ended September 30, 2025 and 2024.

c. Category of financial instruments

	September 30, 2025	December 31, 2024	September 30, 2024
<u>NTD</u>			
<u>Financial assets</u>			
Financial assets at amortized cost (1)	\$ 41,953,138	\$ 35,738,384	\$ 29,301,130
Financial assets at FVTOCI			
Debt instruments	1,775,552	1,106,998	1,021,821
Equity instruments	436,271	298,624	263,942

(Continued)

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Financial liabilities</u>			
Amortized cost (2)	\$ 440,494	\$ 2,423,173	\$ 2,604,414
<u>USD</u>			
<u>Financial assets</u>			
Financial assets at amortized cost (1)	1,377,997	1,090,083	925,787
Financial assets at FVTOCI			
Debt instruments	58,320	33,765	32,285
Equity instruments	14,330	9,109	8,339
<u>Financial liabilities</u>			
Amortized cost (2)	14,415	73,911	82,322 (Concluded)

- 1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, trade receivables, other receivables and refundable deposits (recorded under other non-current assets).
- 2) The balances include financial liabilities at amortized cost, which comprise trade payables and other payables.

d. Financial risk management objectives and policies

The Group's major financial instruments include equity and debt investments, trade receivables, trade payables and lease liabilities. The Group's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, and monitors and manages the financial risks relating to the operations of the Group through internal risk reports that analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below).

a) Foreign currency risk

The Group uses USD, JPY, MYR and VND as the functional currency and uses other currency for the payment of employee salaries and operating expenses of each subsidiary (branch); therefore, there is no material exchange rate fluctuation risk. Since the Company is listed for trading on the Taiwan Stock Exchange, it can be expected that in the future, when funds are raised domestically in NTD such that the amount needs to be exchanged to USD for use, there is an exchange rate risk in the exchange of TWD to USD, and the possible responsive measures adopted by the financial department of the Group are as follows:

- i. The Group maintains an adequate level of foreign currency reserve based on predicted exchange rate to provide for subsidiaries' operating activities and to lessen the impact on adverse exchange fluctuations to the net income;

- ii. The Group continuously monitors exchange rate fluctuations and maintains close relationships with principal correspondent banks to ensure that management is well-informed of currency trends, so that timely and appropriate adjustments can be made in response to occasional changes in payment or receipt currencies; and
- iii. The Group reduces the impact of adverse exchange rate fluctuations on the Group's net income by using natural write off (i.e., a majority of sales and purchase transactions are denominated in USD) and by using foreign currency loans or forward exchange contracts when needed as a basis for managing exchange rate fluctuations.

Refer to Note 30 for the carrying amounts of monetary assets and liabilities not denominated in functional currency at the end of the reporting period.

Sensitivity analysis

The Group is mainly exposed to the RMB, NTD and USD.

The following table details the Group's sensitivity to a 5% increase and decrease in the USD and JPY (i.e., the functional currency) against the relevant foreign currencies. The sensitivity rate of 5% is used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency-denominated monetary items and their adjusted translation at the end of the reporting period for a 5% change in foreign currency rates. A positive number below indicates an increase in pre-tax profit associated with the USD and JPY depreciating 5% against the relevant currency. For a 5% appreciating of the USD and JPY against the relevant currency, there would be an equal and opposite impact on pre-tax profit, and the balances below would be negative.

Unit: In Thousands of U.S. Dollars

Profit or Loss	
For the Nine Months Ended	
September 30	
2025	2024
RMB	\$ 3,625
USD	87
NTD	166
	\$ 4,775
	278
	(7)

b) Interest rate risk

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
NTD			
Fair value interest rate risk			
Financial assets	\$ 14,919,729	\$ 9,985,853	\$ 10,236,993
Financial liabilities	316,258	207,330	211,464
Cash flow interest rate risk			
Financial assets	25,672,357	20,616,900	12,546,784

(Continued)

	September 30, 2025	December 31, 2024	September 30, 2024
<u>USD</u>			
Fair value interest rate risk			
Financial assets	\$ 490,055	\$ 304,586	\$ 323,444
Financial liabilities	10,387	6,324	6,681
Cash flow interest rate risk			
Financial assets	843,238	628,851	396,423
			(Concluded)

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates for non-derivative instruments at the end of the reporting period. A 25-basis point increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 25 basis points higher/lower and all other variables were held constant, the Group's pre-tax profit for the nine months ended September 30, 2025 and 2024 would have increased/decreased by NT\$48,136 thousand (US\$1,581 thousand) and NT\$23,525 thousand (US\$743 thousand), respectively.

2) Credit risk

Credit risk refers to the risk that a counterparty will breach its contractual obligations resulting in a financial loss to the Group. The Company is exposed to credit risks from operating activities, primarily accounts receivable, and from investing activities, primarily deposits and fixed-income investments with banks. At the end of the reporting period, the Group's maximum exposure to credit risk, which would cause a financial loss to the Group due to the failure of the counterparty to discharge its obligation, could be equal to the total of the carrying amount of the respective recognized financial assets as stated in the balance sheets.

Business related credit risk

The Group adopted a policy of only dealing with credit worthy counterparties as a means of mitigating the risk of financial loss from defaults. Credit exposure is controlled by the counterparties' payment terms and credit limits that are inspected and approved by the finance department periodically.

The Group's credit risk mainly comes from gross trade receivables of the Group's five largest customers. As of September 30, 2025, December 31, 2024 and September 30, 2024, the Group's five largest customers accounted for 73%, 82% and 81% of the Group's gross trade receivables, respectively.

Financial credit risk

The Group primarily mitigates its financial credit risk by selecting counterparties with investment grade credit ratings and by establishing individual investment limits. The Group assesses whether there has been a significant increase in credit risk in the invested securities since initial recognition by reviewing changes in external credit ratings, financial market conditions and material information of the issuers. Refer to Note 9 for information on the Group's credit risk management related to debt instruments.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

a) Liquidity and interest rate risk tables

The following table details the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed upon repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group may be required to pay. The interest recognition is not material.

	September 30, 2025					USD				
	Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years	Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>										
Trade payables	\$ 97,523	\$ 157,385	\$ -	\$ -	\$ -	\$ 3,203	\$ 5,170	\$ -	\$ -	\$ -
Other payables	64,492	24,699	96,395	-	-	2,065	811	3,166	-	-
Lease liabilities	14,860	18,620	69,849	208,239	19,335	488	612	2,294	6,840	635
	<u>\$ 176,875</u>	<u>\$ 200,704</u>	<u>\$ 166,244</u>	<u>\$ 208,239</u>	<u>\$ 19,335</u>	<u>\$ 5,756</u>	<u>\$ 6,593</u>	<u>\$ 5,460</u>	<u>\$ 6,840</u>	<u>\$ 635</u>
<u>December 31, 2024</u>										
	NTD					USD				
	Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years	Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>										
Trade payables	\$ 1,624,662	\$ 201,665	\$ -	\$ -	\$ -	\$ 49,555	\$ 6,151	\$ -	\$ -	\$ -
Other payables	580,309	16,367	170	-	-	17,701	499	5	-	-
Lease liabilities	4,760	8,697	70,945	145,238	791	146	265	2,164	4,430	24
	<u>\$ 2,209,731</u>	<u>\$ 226,729</u>	<u>\$ 71,115</u>	<u>\$ 145,238</u>	<u>\$ 791</u>	<u>\$ 67,402</u>	<u>\$ 6,915</u>	<u>\$ 2,169</u>	<u>\$ 4,430</u>	<u>\$ 24</u>
<u>September 30, 2024</u>										
	NTD					USD				
	Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years	Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>										
Trade payables	\$ 2,130,089	\$ 265,035	\$ -	\$ -	\$ -	\$ 67,301	\$ 8,374	\$ -	\$ -	\$ -
Other payables	196,795	7,927	4,568	-	-	6,253	250	144	-	-
Lease liabilities	4,895	8,757	74,196	135,120	1,676	155	277	2,344	4,269	53
	<u>\$ 2,331,779</u>	<u>\$ 281,719</u>	<u>\$ 78,764</u>	<u>\$ 135,120</u>	<u>\$ 1,676</u>	<u>\$ 73,709</u>	<u>\$ 8,901</u>	<u>\$ 2,488</u>	<u>\$ 4,269</u>	<u>\$ 53</u>

b) Financing facilities

September 30, 2025 December 31, 2024 September 30, 2024

NTD

Other loan facilities

Amount used	\$ -	\$ -	\$ -
Amount unused	<u>\$ 219,876</u>	<u>\$ 136,825</u>	<u>\$ 926,749</u>
	<u>\$ 219,876</u>	<u>\$ 136,825</u>	<u>\$ 926,749</u>

USD

Other loan facilities

Amount used	\$ -	\$ -	\$ -
Amount unused	<u>\$ 7,222</u>	<u>\$ 4,173</u>	<u>\$ 29,281</u>
	<u>\$ 7,222</u>	<u>\$ 4,173</u>	<u>\$ 29,281</u>

27. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated upon consolidation and are not disclosed in this note. Besides the information disclosed elsewhere in the other notes, details of transactions between the Group and other related parties are disclosed as follows:

a. Related party name and category

Related Party Name	Related Party Category
Adoresys PTE. LTD.	Associate

b. Prepayments

Related Party Category	September 30, 2025	December 31, 2024	September 30, 2024
Associate	\$ _____ -	\$ _____ -	\$ 5,523
USD			
Related Party Category	September 30, 2025	December 31, 2024	September 30, 2024
Associate	\$ _____ -	\$ _____ -	\$ 174

c. Other accrued expenses

Related Party Category	September 30, 2025	December 31, 2024	September 30, 2024
Associate	\$ _____ -	\$ 35,441	\$ _____ -
USD			
Related Party Category	September 30, 2025	December 31, 2024	September 30, 2024
Associate	\$ _____ -	\$ 1,081	\$ _____ -

The outstanding other accrued expenses to related parties are unsecured.

d. Service expense

NTD

Line Item	Related Party Category	For the Three Months Ended September 30		For the Nine Months Ended September 30	
		2025	2024	2025	2024
Research and development expenses	Associate	\$ 45,814	\$ 26,505	\$ 57,761	\$ 64,702

USD

Line Item	Related Party Category	For the Three Months Ended September 30		For the Nine Months Ended September 30	
		2025	2024	2025	2024
Research and development expenses	Associate	\$ 1,475	\$ 823	\$ 1,850	\$ 2,020

The associate provides research and development services to the Company. The terms of the transaction were negotiated and determined by both parties because there were no comparable transactions with other third parties.

e. Acquisition of investments accounted for the equity method

Adoresys PTE. LTD. conducted a Series A fund raising in March 2024, issuing 33,000 shares at an exercise price of US\$0.6 per share. In April 2024, the board of directors resolved to subscribe for 3,500 thousand shares, with a total investment amount of NT\$67,001 thousand (US\$2,100 thousand).

f. Remuneration of directors and key management personnel

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
<u>NTD</u>				
Other employee benefits	\$ 91,538	\$ 73,131	\$ 289,282	\$ 277,260
Share-based payments	115	5,265	3,173	20,818
Post-employment benefits	<u>216</u>	<u>309</u>	<u>649</u>	<u>949</u>
	<u>\$ 91,869</u>	<u>\$ 78,705</u>	<u>\$ 293,104</u>	<u>\$ 299,027</u>

USD

Other employee benefits	\$ 3,059	\$ 2,257	\$ 9,265	\$ 8,655
Share-based payments	6	162	102	650
Post-employment benefits	<u>7</u>	<u>10</u>	<u>21</u>	<u>30</u>
	<u>\$ 3,072</u>	<u>\$ 2,429</u>	<u>\$ 9,388</u>	<u>\$ 9,335</u>

The remuneration of directors and key executives, as determined by the remuneration committee, is based on the performance of individuals and market trends.

28. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

As of September 30, 2025, December 31, 2024 and September 30, 2024, the Group provided time deposits amounting to NT\$30,349 thousand (US\$997 thousand), NT\$30,090 thousand (US\$918 thousand) and NT\$30,090 thousand (US\$951 thousand) as tariff guarantees for imported raw materials and collateral for letters of credit.

29. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, unrecognized commitments of the Group at the end of reporting period were as follows:

- a. The Group entered into a capacity reservation agreement with Company A, under which the committed capacity period is from July 2022 to June 2025. The Group shall pay a total amount of US\$25,422 thousand in advance for the purchase of materials in accordance with the agreement. The prepayment shall be deducted at the rate of 35% of the total purchase for each order placed by the Group. If the production capacity provided by Company A in any month doesn't meet the commitment, Company A shall pay the Group 0.1% of the prepayment as a penalty for each overdue day, but the maximum shall not exceed 6% of the balance of the prepayment. The term of this agreement shall be from July 2022 to September 2026. In addition, on November 5, 2025, the Group entered into a supplementary agreement with Company A. The agreement period is from September 2025 to March 2028. Under the supplementary agreement, Company A shall refund, in several installments, a total amount of NT\$833 thousand of prepayments made under the original agreement by December 31, 2026. Upon the expiration of the supplementary agreement, any remaining balance of the prepayments shall become immediately due, and Company A shall refund all outstanding amounts in accordance with the terms of both the original agreement and the supplementary agreement. The Group has prepaid US\$13,220 thousand for the purchase of materials. As of September 30, 2025, December 31, 2024 and September 30, 2024, the prepayment balance amounted to US\$8,800 thousand, US\$8,800 thousand and US\$9,850 thousand, respectively.
- b. The Group entered into SIP license agreements with several companies and shall pay agreed amounts to obtain the authorized license rights over specific period in accordance with the agreements. Under one such license agreement with a particular company, the consolidated company shall make periodic payments of license fees in accordance with the payment schedule stipulated in the agreement. As of September 30, 2025, December 31, 2024 and September 30, 2024, the Group was still obligated to pay US\$16,717 thousand, US\$23,304 thousand and US\$2,471 thousand, respectively.

30. EXCHANGE RATE INFORMATION OF FOREIGN-CURRENCY FINANCIAL ASSETS AND LIABILITIES

The Group's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies of the entities in the Group and the related exchange rates between the foreign currencies and the respective functional currencies were as follows:

September 30, 2025

	Foreign Currency	Exchange Rate	Carrying Amount (USD in Thousands)
<u>Financial assets</u>			
Monetary items			
RMB	\$ 595,629	0.140736 (RMB:USD)	\$ 83,826
USD	1,786	147.928994 (USD:JPY)	1,786
NTD	138,696	0.032846 (NTD:USD)	<u>4,556</u>
			<u>\$ 90,168</u>
Non-monetary items			
Investments in equity instruments at FVTOCI			
RMB	\$ 50,024	0.140736 (RMB:USD)	\$ 7,040
NTD	30,200	0.032846 (NTD:USD)	<u>992</u>
			<u>\$ 8,032</u>
<u>Financial liabilities</u>			
Monetary items			
RMB	80,497	0.140736 (RMB:USD)	\$ 11,329
USD	38	147.928994 (USD:JPY)	38
NTD	37,532	0.032846 (NTD:USD)	<u>1,233</u>
			<u>\$ 12,600</u>

December 31, 2024

	Foreign Currency	Exchange Rate	Carrying Amount (USD in Thousands)
<u>Financial assets</u>			
Monetary items			
RMB	\$ 705,677	0.139113 (RMB:USD)	\$ 98,169
USD	5,016	156.201187 (USD:JPY)	5,016
NTD	334,798	0.030502 (NTD:USD)	<u>10,212</u>
			<u>\$ 113,397</u>

(Continued)

	Foreign Currency		Carrying Amount (USD in Thousands)
		Exchange Rate	
Non-monetary items			
Investments in equity instruments at FVTOCI			
RMB	\$ 36,061	0.139113 (RMB:USD)	\$ 5,017
NTD	10,123	0.030502 (NTD:USD)	<u>309</u>
			<u>\$ 5,326</u>
<u>Financial liabilities</u>			
Monetary items			
RMB	64,325	0.139113 (RMB:USD)	\$ 8,848
USD	1,557	156.201187 (USD:JPY)	1,557
NTD	57,874	0.030502 (NTD:USD)	<u>1,775</u>
			<u>\$ 12,180</u>
			(Concluded)

September 30, 2024

	Foreign Currency		Carrying Amount (USD in Thousands)
		Exchange Rate	
<u>Financial assets</u>			
Monetary items			
RMB	\$ 817,911	0.142706 (RMB:USD)	\$ 116,721
USD	5,769	142.369021 (USD:JPY)	5,769
NTD	49,199	0.031596 (NTD:USD)	<u>1,554</u>
			<u>\$ 124,044</u>
Non-monetary items			
Investments in equity instruments at FVTOCI			
RMB	31,592	0.142706 (RMB:USD)	\$ 4,508
NTD	13,126	0.031596 (NTD:USD)	<u>414</u>
			<u>\$ 4,922</u>

Financial liabilities

Monetary items			
RMB	148,753	0.142706 (RMB:USD)	\$ 21,228
USD	204	142.369021 (USD:JPY)	204
NTD	53,449	0.031596 (NTD:USD)	<u>1,689</u>
			<u>\$ 23,121</u>

The significant realized and unrealized foreign exchange gains (losses) were as follows:

Foreign Currency	For the Three Months Ended September 30			
	2025		2024	
	Exchange Rate	Net Foreign Exchange Gains (Losses)	Exchange Rate	Net Foreign Exchange Gains (Losses)
RMB	0.140273 (RMB:USD)	\$ 432	0.140549 (RMB:USD)	\$ 1,318
USD	147.440105 (USD:JPY)	91	148.989852 (USD:JPY)	(349)
NTD	0.033389 (NTD:USD)	<u>87</u>	0.030959 (NTD:USD)	<u>173</u>
		<u><u>\$ 610</u></u>		<u><u>\$ 1,142</u></u>

Foreign Currency	For the Nine Months Ended September 30			
	2025		2024	
	Exchange Rate	Net Foreign Exchange Gains (Losses)	Exchange Rate	Net Foreign Exchange Gains (Losses)
RMB	0.139560 (RMB:USD)	\$ 477	0.140677 (RMB:USD)	\$ 1,030
USD	148.104265 (USD:JPY)	(352)	151.034587 (USD:JPY)	(5)
NTD	0.032029 (NTD:USD)	<u>600</u>	0.031217 (NTD:USD)	<u>370</u>
		<u><u>\$ 725</u></u>		<u><u>\$ 1,395</u></u>

31. SEPARATELY DISCLOSED ITEMS

- a. Information on significant transactions and b. Information on investees
 - 1) Financing provided to others: None
 - 2) Endorsements/guarantees provided: None
 - 3) Significant marketable securities held: Table 1
 - 4) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None
 - 5) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None
 - 6) Intercompany relationships and significant intercompany transactions: Table 2
 - 7) Information on investees: Table 3
- c. Information on investments in mainland China
 - 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the reporting period, repatriations of investment income, and limit on the amount of investment in the mainland China area: Table 4

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: None

- a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period
- b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period
- c) The amount of property transactions and the amount of the resultant gains or losses
- d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes
- e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds
- f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services

32. SEGMENT INFORMATION

The Group is engaged in research and development, design, and manufacturing of ASIC and SOC and provides related services. These activities are deemed single industry; accordingly, management considers the Group as having only one reportable segment.

TABLE 1**ALCHIP TECHNOLOGIES, LIMITED AND SUBSIDIARIES****SIGNIFICANT MARKETABLE SECURITIES HELD****SEPTEMBER 30, 2025**

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 30, 2025				Note
				Number of Shares/Units (In Thousands)	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Alchip BVI	<u>Corporate bonds</u>							
	TSMC	-	Financial assets at fair value through other comprehensive income - current	-	\$ 59,907	-	\$ 59,907	-
	Sumitomo Mitsui	-	"	-	30,521	-	30,521	-
	Manulife Financial Corp	-	"	-	30,437	-	30,437	-
	HSBC Holdings PLC	-	"	-	30,386	-	30,386	-
	Saudi Arabian Oil	-	"	-	15,124	-	15,124	-
	SHINHAN CARD	-	"	-	5,965	-	5,965	-
	NTT Finance Corp	-	Financial assets at fair value through other comprehensive income - non-current	-	30,924	-	30,924	-
	Macquarie Bank	-	"	-	31,152	-	31,152	-
	Banco Santander SA	-	"	-	31,647	-	31,647	-
	Korea National Oil Corp	-	"	-	30,768	-	30,768	-
	Korea Gas Corp	-	"	-	15,696	-	15,696	-
	CK Hutchison International (24) Limited	-	"	-	66,228	-	66,228	-
	TSMC Global Ltd	-	"	-	48,986	-	48,986	-
	Citigroup Inc	-	"	-	48,594	-	48,594	-
	UBS GROUP AG VRN	-	"	-	48,693	-	48,693	-
	Goldman Sachs Group Inc	-	"	-	48,754	-	48,754	-
	Broadcom Inc	-	"	-	50,397	-	50,397	-
	Bank of America Corp.	-	"	-	48,884	-	48,884	-
	DEUTSCHE BANK AG	-	"	-	48,912	-	48,912	-
	ANZ NEW ZEALAND INT'L LTD	-	"	-	50,405	-	50,405	-
	UBS GROUP AG	-	"	-	48,736	-	48,736	-
	NOMURA HOLDINGS INC	-	"	-	49,798	-	49,798	-
	JPMORGAN CHASE & CO	-	"	-	48,814	-	48,814	-
	BNP PARIBAS SA	-	"	-	48,895	-	48,895	-
	META PLATFORMS INC	-	"	-	18,903	-	18,903	-
	PFIZER INVESTMENT ENTERPRISES	-	"	-	30,804	-	30,804	-
	Credit Agricole SA	-	"	-	30,402	-	30,402	-
	BP CAP Market	-	"	-	29,808	-	29,808	-
	Citigroup Global Markets Holdings Inc	-	"	-	30,104	-	30,104	-
	BAC	-	"	-	21,231	-	21,231	-

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 30, 2025				Note
				Number of Shares/Units (In Thousands)	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Alchip Shanghai	Toyota Motor	-	Financial assets at fair value through other comprehensive income - non-current	-	\$ 61,755	-	\$ 61,755	-
	Saudi International	-	"	-	61,438	-	61,438	-
	PFIZER INVESTMENT	-	"	-	61,499	-	61,499	-
	Verizon	-	"	-	30,620	-	30,620	-
	BP CAP Market	-	"	-	55,765	-	55,765	-
	ELECTRICITE DE	-	"	-	31,614	-	31,614	-
	Australia Bank	-	"	-	30,290	-	30,290	-
	GOLDMAN SACHS	-	"	-	30,637	-	30,637	-
	MORGAN STANLEY	-	"	-	63,405	-	63,405	-
	BNP PARIBAS	-	"	-	57,219	-	57,219	-
	Mitsubishi UFJ	-	"	-	62,211	-	62,211	-
	UBS Group	-	"	-	64,039	-	64,039	-
	Cathaylife Singapore	-	"	-	30,798	-	30,798	-
	Republic of Chile	-	"	-	4,387	-	4,387	-
Alchip TW	<u>Unlisted shares/equity investment fund</u>							
	ACHI CAPITAL PARTNERS FUND L.P.	-	"	-	191,490	1.94	191,490	-
	KQ (Shenzhen) Semiconductor & Technology Industry Equity Investment Fund	-	"	-	91,491	0.81	91,491	-
Alchip TW	KQ (Suzhou) Emerging Industry Venture Equity Investment Fund	-	"	-	122,845	3.69	122,845	-
	Uniconn Interconnections Technology Co., Ltd.	-	"	3,026	-	5.29	-	-
	Brillink Inc.	The Company is the director of Brillink Inc.	"	1,000	30,445	12.20	30,445	-

Note: For the information on investments in subsidiaries and associates, see Tables 3 and 4 for details.

(Concluded)

TABLE 2**ALCHIP TECHNOLOGIES, LIMITED AND SUBSIDIARIES****INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS****FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025****(Amounts in Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Accounts	Amount (Note 5)	Payment Terms	% of Total Sales or Assets (Note 3)
1	Alchip Wuxi	Alchip Shanghai Alchip Shanghai	c c	Accounts receivable Operating revenue	\$ 27,251 26,092	Based on regular items "	- -
2	Alchip Hefei	Alchip Shanghai Alchip Shanghai	c c	Accounts receivable Operating revenue	13,625 13,046	" "	- -
3	Alchip Guangzhou	Alchip Shanghai Alchip Shanghai	c c	Accounts receivable Operating revenue	18,167 17,395	" "	- -
4	Alchip Jinan	Alchip Shanghai Alchip Shanghai	c c	Accounts receivable Operating revenue	31,793 30,440	" "	- -
5	Alchip USA	The Company The Company	b b	Accounts receivable Operating revenue	26,394 54,144	" "	- -

Note 1: Significant transactions between the Company and its subsidiaries or among subsidiaries are numbered as follows:

- a. Fill in "0" for the parent company.
- b. Subsidiaries are listed in order.

Note 2: Relationship types are as follows:

- a. Parent to subsidiary.
- b. Subsidiary to parent.
- c. Between subsidiaries.

Note 3: For assets and liabilities, amount is shown as a percentage to consolidated total assets as of September 30, 2025, while revenues, costs and expenses are shown as a percentage to consolidated revenues for the nine months ended September 30, 2025.

Note 4: The material transactions disclosed in this table may be determined by the Company based on the principle of materiality.

Note 5: The amount was eliminated upon consolidation.

TABLE 3**ALCHIP TECHNOLOGIES, LIMITED AND SUBSIDIARIES**

INFORMATION ON INVESTEES
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025
 (Amounts in Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of September 30, 2025			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				September 30, 2025	December 31, 2024	Shares (In Thousands)	%	Carrying Amount			
The Company	Alchip HK	Hong Kong	Investments	\$ 598,415 (US\$ 19,129)	\$ 598,415 (US\$ 19,129)	14,165,970	100.0	\$ 2,356,779	\$ (286,572)	\$ (286,572)	-
	Alchip USA	U.S.A.	Product technical support and consulting services	114,922 (US\$ 3,910)	114,922 (US\$ 3,910)	391,000	100.0	12,575	(22,015)	(22,015)	-
	Alchip KK	Japan	Product technical support and consulting services	33,902 (JPY 100,000)	33,902 (JPY 100,000)	2	100.0	92,177	(22,134)	(22,134)	-
	Alchip TW	Taiwan	ASIC and SOC services	100	100	10	100.0	345,667	(27,297)	(27,297)	-
	Alchip BVI	Tortola, British Virgin Islands	Investment	2,066,141 (US\$ 64,500) (Note 1)	1,330,959 (US\$ 41,836)	50	100.0	2,089,080 (Note 1)	8,403	8,403	-
	Alchip MY	Malaysia	Research and development, design, and sales of ASIC and SOC and rendering of related services	32,295 (US\$ 1,000)	32,295 (US\$ 1,000)	4,681	100.0	6,443	(16,554)	(16,554)	-
Alchip HK	Alchip VN	Vietnam	Research and development, design, and sales of ASIC and SOC and rendering of related services	32,180 (US\$ 1,000)	32,180 (US\$ 1,000)	Note 2	100.0	26,057	(3,149)	(3,149)	-
Alchip BVI	Adoresys PTE. LTD.	Singapore	IC front-end design technical services	137,324 (US\$ 4,400)	137,324 (US\$ 4,400)	20,000	17.7	70,344	(228,339)	(40,414)	-

Note 1: Among which, an amount of NT\$1,592,824 thousand (US\$49,400 thousand) had been injected, but the procedures of capital-injection have not been completed.

Note 2: Only the investment amount is displayed on the Company's business license with no record of shares recorded.

Note 3: For the information on investments in mainland China, see Table 4 for details.

TABLE 4**ALCHIP TECHNOLOGIES, LIMITED AND SUBSIDIARIES****INFORMATION ON INVESTMENTS IN MAINLAND CHINA****FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025****(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2025	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of September 30, 2025	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of September 30, 2025	Accumulated Repatriation of Investment Income as of September 30, 2025
					Outward	Inward						
Alchip Shanghai	Research and development, design, and sales of ASIC and SOC and rendering of related services	\$ 389,696 (US\$ 12,800) (RMB 102,392)	Note 1, b.	\$ 389,696 (US\$ 12,800)	\$ -	\$ -	\$ 389,696 (US\$ 12,800)	\$ (1,902)	100	\$ (1,902) (Note 2, b.)	\$ 1,662,886	\$ -
Alchip Wuxi	Research and development, design, and sales of ASIC and SOC and rendering of related services	60,890 (US\$ 2,000) (RMB 12,482)	Note 1, b.	60,890 (US\$ 2,000)	-	-	60,890 (US\$ 2,000)	(85,717)	100	(85,717) (Note 2, b.)	233,270	-
Alchip Hefei	Research and development, design, and sales of ASIC and SOC and rendering of related services	15,223 (US\$ 500) (RMB 3,469)	Note 1, b.	15,223 (US\$ 500)	-	-	15,223 (US\$ 500)	(45,242)	100	(45,242) (Note 2, b.)	197,491	-
Alchip Jinan	Research and development, design, and sales of ASIC and SOC and rendering of related services	23,869 (US\$ 784) (RMB 5,031)	Note 1, b.	23,869 (US\$ 784)	-	-	23,869 (US\$ 784)	(93,151)	100	(93,151) (Note 2, b.)	105,582	-
Alchip Guangzhou	Research and development, design, and sales of ASIC and SOC and rendering of related services	48,712 (US\$ 1,600) (RMB 10,523)	Note 1, b.	48,712 (US\$ 1,600)	-	-	48,712 (US\$ 1,600)	(57,293)	100	(57,293) (Note 2, b.)	129,212	-
Chiptopia Shanghai	Software development and services, design, and sales of ASIC and SOC related services	46,317 (US\$ 1,521) (RMB 10,000)	Note 1, c.	(Note 3)	-	-	(Note 3)	(15,514)	65	(10,084) (Note 2, b.)	28,698	-
Alchip Chongqing	Research and development, design, and sales of ASIC and SOC and rendering of related services	23,600 (US\$ 775) (RMB 5,000)	Note 1, c.	(Note 4)	-	-	(Note 4)	(72,870)	100	(72,870) (Note 2, b.)	106,151	-

(Continued)

Accumulated Outward Remittance for Investments in Mainland China as of September 30, 2025	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA
\$ -	\$ -	\$ -

Note 1: The investment types are as follows:

- a. Direct investment in mainland China.
- b. Indirect investment in mainland China through a subsidiary in a third place. (Investor: Alchip HK)
- c. Others. (Investor: Alchip Guangzhou or Alchip Shanghai)

Note 2: In the column of investment gain or loss:

- a. It should be noted if the investment was still in preparation without investment gain or loss.
- b. The recognition basis of investment gain or loss should be noted as follows:
 - 1) The financial statement is reviewed by an international accounting firm cooperating with accounting firms in Taiwan.
 - 2) The financial statement is reviewed by a certified public accountant cooperating with the parent company in Taiwan.
 - 3) Others.

Note 3: The cumulative investment amount at the beginning and end of the current period does not include the RMB6,500 thousand invested by Alchip Guangzhou.

Note 4: The cumulative investment amount at the beginning and end of the current period does not include the RMB5,000 thousand invested by Alchip Shanghai.

Note 5: The foreign currency listed in Table 4 was presented at the foreign exchange rate of US\$1: NT\$30.445 as of September 30, 2025.

(Concluded)