

**Alchip Technologies, Limited and  
Subsidiaries**

**Consolidated Financial Statements for the  
Three Months Ended March 31, 2026 and 2025 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 March 31, 2026 and 2025, and the related consolidated statements of comprehensive income, the consolidated statements of changes in equity and cash flows for the three 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 March 31, 2026 and 2025, its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2026 and 2025 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

May 8, 2026

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	March 31, 2026		December 31, 2025		March 31, 2025	
	Amount	%	Amount	%	Amount	%
<b>CURRENT ASSETS</b>						
Cash and cash equivalents (Note 6)	\$ 29,131,939	49	\$ 32,627,305	56	\$ 38,262,852	66
Financial assets at fair value through other comprehensive income (Note 7)	281,570	-	162,896	-	82,822	-
Financial assets at amortized cost (Notes 8 and 28)	10,044,943	17	6,091,482	10	4,645,773	8
Trade receivables, net (Note 10)	2,114,041	4	2,635,623	5	2,794,776	5
Trade receivables due from related parties (Notes 10 and 27)	-	-	375,087	1	-	-
Other receivables	314,198	1	242,823	-	134,183	-
Inventories (Note 11)	9,379,097	16	6,945,450	12	5,754,313	10
Prepayments (Notes 16 and 29)	2,887,372	5	3,630,886	6	872,970	2
Other current assets	297,257	-	345,495	1	73,659	-
Total current assets	<u>54,450,417</u>	<u>92</u>	<u>53,057,047</u>	<u>91</u>	<u>52,621,348</u>	<u>91</u>
<b>NON-CURRENT ASSETS</b>						
Financial assets at fair value through other comprehensive income (Note 7)	2,284,875	4	2,139,422	4	1,446,998	3
Financial assets at amortized cost (Notes 8 and 28)	462,396	1	-	-	92,516	-
Investments accounted for using the equity method	71,776	-	64,094	-	95,802	-
Property, plant and equipment (Note 13)	1,055,070	2	1,679,804	3	2,488,277	4
Right-of-use assets (Note 14)	279,790	-	295,902	1	213,059	-
Intangible assets (Note 15)	176,330	-	257,420	-	271,224	1
Deferred tax assets	298,924	1	439,688	1	244,448	1
Other non-current assets	106,794	-	105,355	-	104,821	-
Total non-current assets	<u>4,735,955</u>	<u>8</u>	<u>4,981,685</u>	<u>9</u>	<u>4,957,145</u>	<u>9</u>
<b>TOTAL</b>	<u>\$ 59,186,372</u>	<u>100</u>	<u>\$ 58,038,732</u>	<u>100</u>	<u>\$ 57,578,493</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>						
<b>CURRENT LIABILITIES</b>						
Contract liabilities (Notes 20 and 27)	\$ 12,249,487	21	\$ 12,020,884	21	\$ 11,288,452	20
Trade payables	832,098	1	1,986,493	3	1,217,491	2
Other payables (Notes 17 and 27)	1,579,268	3	2,052,031	4	1,900,541	4
Current tax liabilities	975,797	2	757,613	1	1,283,528	2
Lease liabilities (Note 14)	131,469	-	115,478	-	69,913	-
Other current liabilities	23,526	-	42,226	-	58,548	-
Total current liabilities	<u>15,791,645</u>	<u>27</u>	<u>16,974,725</u>	<u>29</u>	<u>15,818,473</u>	<u>28</u>
<b>NON-CURRENT LIABILITIES</b>						
Deferred tax liabilities	5,335	-	7,650	-	507	-
Lease liabilities (Note 14)	195,140	-	209,762	1	129,321	-
Deferred revenue	23,120	-	22,358	-	23,129	-
Total non-current liabilities	<u>223,595</u>	<u>-</u>	<u>239,770</u>	<u>1</u>	<u>152,957</u>	<u>-</u>
Total liabilities	<u>16,015,240</u>	<u>27</u>	<u>17,214,495</u>	<u>30</u>	<u>15,971,430</u>	<u>28</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b> (Notes 18 and 19)						
Share capital	815,340	1	812,836	1	808,557	2
Capital surplus	25,883,671	44	25,754,605	44	25,490,655	44
Retained earnings						
Special reserve	67,693	-	67,693	-	67,693	-
Unappropriated earnings	14,765,037	25	13,337,144	23	12,148,072	21
Total retained earnings	14,832,730	25	13,404,837	23	12,215,765	21
Other equity	1,621,075	3	832,866	2	3,073,137	5
Total equity attributable to owners of the Company	43,152,816	73	40,805,144	70	41,588,114	72
<b>NON-CONTROLLING INTERESTS</b>	18,316	-	19,093	-	18,949	-
Total equity	<u>43,171,132</u>	<u>73</u>	<u>40,824,237</u>	<u>70</u>	<u>41,607,063</u>	<u>72</u>
<b>TOTAL</b>	<u>\$ 59,186,372</u>	<u>100</u>	<u>\$ 58,038,732</u>	<u>100</u>	<u>\$ 57,578,493</u>	<u>100</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	March 31, 2026		December 31, 2025		March 31, 2025	
	Amount	%	Amount	%	Amount	%
<b>CURRENT ASSETS</b>						
Cash and cash equivalents (Note 6)	\$ 910,515	49	\$ 1,038,094	56	\$ 1,152,322	66
Financial assets at fair value through other comprehensive income (Note 7)	8,800	-	5,183	-	2,494	-
Financial assets at amortized cost (Notes 8 and 28)	313,954	17	193,811	10	139,912	8
Trade receivables, net (Note 10)	66,074	4	83,857	5	84,167	5
Trade receivables due from related parties (Notes 10 and 27)	-	-	11,934	1	-	-
Other receivables	9,820	1	7,726	-	4,041	-
Inventories (Note 11)	293,143	16	220,982	12	173,297	10
Prepayments (Notes 16 and 29)	90,244	5	115,523	6	26,290	2
Other current assets	9,291	-	10,993	1	2,219	-
Total current assets	<u>1,701,841</u>	<u>92</u>	<u>1,688,103</u>	<u>91</u>	<u>1,584,742</u>	<u>91</u>
<b>NON-CURRENT ASSETS</b>						
Financial assets at fair value through other comprehensive income (Note 7)	71,414	4	68,069	4	43,578	3
Financial assets at amortized cost (Notes 8 and 28)	14,452	1	-	-	2,786	-
Investments accounted for using the equity method	2,243	-	2,039	-	2,885	-
Property, plant and equipment (Note 13)	32,976	2	53,446	3	74,937	4
Right-of-use assets (Note 14)	8,745	-	9,415	1	6,416	-
Intangible assets (Note 15)	5,511	-	8,190	-	8,168	1
Deferred tax assets	9,343	1	13,989	1	7,361	1
Other non-current assets	3,338	-	3,353	-	3,156	-
Total non-current assets	<u>148,022</u>	<u>8</u>	<u>158,501</u>	<u>9</u>	<u>149,287</u>	<u>9</u>
<b>TOTAL</b>	<u>\$ 1,849,863</u>	<u>100</u>	<u>\$ 1,846,604</u>	<u>100</u>	<u>\$ 1,734,029</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>						
<b>CURRENT LIABILITIES</b>						
Contract liabilities (Notes 20 and 27)	\$ 382,856	21	\$ 382,465	21	\$ 339,962	20
Trade payables	26,007	1	63,204	3	36,666	2
Other payables (Notes 17 and 27)	49,360	3	65,289	4	57,237	4
Current tax liabilities	30,498	2	24,105	1	38,655	2
Lease liabilities (Note 14)	4,109	-	3,674	-	2,105	-
Other current liabilities	736	-	1,343	-	1,764	-
Total current liabilities	<u>493,566</u>	<u>27</u>	<u>540,080</u>	<u>29</u>	<u>476,389</u>	<u>28</u>
<b>NON-CURRENT LIABILITIES</b>						
Deferred tax liabilities	167	-	243	-	15	-
Lease liabilities (Note 14)	6,099	-	6,674	1	3,895	-
Deferred revenue	722	-	712	-	696	-
Total non-current liabilities	<u>6,988</u>	<u>-</u>	<u>7,629</u>	<u>1</u>	<u>4,606</u>	<u>-</u>
Total liabilities	<u>500,554</u>	<u>27</u>	<u>547,709</u>	<u>30</u>	<u>480,995</u>	<u>28</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b> (Notes 18 and 19)						
Share capital	26,096	1	26,018	1	25,878	1
Capital surplus	847,457	46	843,403	46	834,790	48
Retained earnings						
Special reserve	2,799	-	2,799	-	2,799	-
Unappropriated earnings	472,925	26	427,782	23	391,293	23
Total retained earnings	475,724	26	430,581	23	394,092	23
Other equity	(560)	-	(1,724)	-	(2,341)	-
Total equity attributable to owners of the Company	<u>1,348,717</u>	<u>73</u>	<u>1,298,278</u>	<u>70</u>	<u>1,252,419</u>	<u>72</u>
<b>NON-CONTROLLING INTERESTS</b>	<u>592</u>	<u>-</u>	<u>617</u>	<u>-</u>	<u>615</u>	<u>-</u>
Total equity	<u>1,349,309</u>	<u>73</u>	<u>1,298,895</u>	<u>70</u>	<u>1,253,034</u>	<u>72</u>
<b>TOTAL</b>	<u>\$ 1,849,863</u>	<u>100</u>	<u>\$ 1,846,604</u>	<u>100</u>	<u>\$ 1,734,029</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 or U.S. Dollars, Except Earnings Per Share)

	For the Three Months Ended March 31					
	2026			2025		
	USD	NTD	%	USD	NTD	%
OPERATING REVENUE (Note 20)	\$ 132,366	\$ 4,186,855	100	\$ 318,737	\$ 10,484,855	100
OPERATING COSTS (Notes 11 and 21)	<u>65,948</u>	<u>2,086,003</u>	<u>50</u>	<u>244,904</u>	<u>8,056,107</u>	<u>77</u>
GROSS PROFIT	<u>66,418</u>	<u>2,100,852</u>	<u>50</u>	<u>73,833</u>	<u>2,428,748</u>	<u>23</u>
OPERATING EXPENSES (Notes 10, 21 and 27)						
Selling and marketing expenses	1,942	61,439	1	1,858	61,112	1
General and administrative expenses	5,114	161,757	4	5,701	187,544	2
Research and development expenses	16,055	507,824	12	14,187	466,678	4
Expected credit loss on trade receivables	<u>70</u>	<u>2,223</u>	<u>-</u>	<u>6,656</u>	<u>218,954</u>	<u>2</u>
Total operating expenses	<u>23,181</u>	<u>733,243</u>	<u>17</u>	<u>28,402</u>	<u>934,288</u>	<u>9</u>
PROFIT FROM OPERATIONS	<u>43,237</u>	<u>1,367,609</u>	<u>33</u>	<u>45,431</u>	<u>1,494,460</u>	<u>14</u>
NON-OPERATING INCOME AND EXPENSES (Note 21)						
Interest income	11,680	369,461	9	10,045	330,412	3
Other income	845	26,702	1	476	15,654	-
Other gains and losses	607	19,203	-	(839)	(27,588)	-
Finance costs	(100)	(3,153)	-	(57)	(1,876)	-
Expected credit gain (loss)	7	219	-	-	(3)	-
Share of gain (loss) of associates by the equity method	<u>126</u>	<u>3,997</u>	<u>-</u>	<u>(544)</u>	<u>(17,880)</u>	<u>-</u>
Total non-operating income and expenses	<u>13,165</u>	<u>416,429</u>	<u>10</u>	<u>9,081</u>	<u>298,719</u>	<u>3</u>
PROFIT BEFORE INCOME TAX	56,402	1,784,038	43	54,512	1,793,179	17
INCOME TAX EXPENSE (Note 22)	<u>11,284</u>	<u>356,922</u>	<u>9</u>	<u>10,088</u>	<u>331,836</u>	<u>3</u>
NET PROFIT FOR THE PERIOD	<u>45,118</u>	<u>1,427,116</u>	<u>34</u>	<u>44,424</u>	<u>1,461,343</u>	<u>14</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	1,835	58,034	1	(148)	(4,873)	-
Exchange differences on translation to the presentation currency	-	751,379	18	-	520,676	5
Items that may be reclassified subsequently to profit or loss:						
Exchange differences on translation of the financial statements of foreign operations	(34)	(1,057)	-	205	6,758	-
Unrealized gain (loss) on investments in debt instruments at fair value through other comprehensive income	<u>(637)</u>	<u>(20,147)</u>	<u>-</u>	<u>123</u>	<u>4,063</u>	<u>-</u>
Other comprehensive income (loss) for the period, net of income tax	<u>1,164</u>	<u>788,209</u>	<u>19</u>	<u>180</u>	<u>526,624</u>	<u>5</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 46,282</u>	<u>\$ 2,215,325</u>	<u>53</u>	<u>\$ 44,604</u>	<u>\$ 1,987,967</u>	<u>19</u>
NET PROFIT (LOSS) ATTRIBUTABLE TO						
Owners of the Company	\$ 45,143	\$ 1,427,893	34	\$ 44,491	\$ 1,463,518	14
Non-controlling interests	<u>(25)</u>	<u>(777)</u>	<u>-</u>	<u>(67)</u>	<u>(2,175)</u>	<u>-</u>
	<u>\$ 45,118</u>	<u>\$ 1,427,116</u>	<u>34</u>	<u>\$ 44,424</u>	<u>\$ 1,461,343</u>	<u>14</u>

(Continued)

## ALCHIP TECHNOLOGIES, LIMITED AND SUBSIDIARIES

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

	For the Three Months Ended March 31					
	2026			2025		
	USD	NTD	%	USD	NTD	%
TOTAL COMPREHENSIVE INCOME (LOSS)						
ATTRIBUTABLE TO						
Owners of the Company	\$ 46,307	\$ 2,216,102	53	\$ 44,671	\$ 1,990,142	19
Non-controlling interests	<u>(25)</u>	<u>(777)</u>	<u>-</u>	<u>(67)</u>	<u>(2,175)</u>	<u>-</u>
	<u>\$ 46,282</u>	<u>\$ 2,215,325</u>	<u>53</u>	<u>\$ 44,604</u>	<u>\$ 1,987,967</u>	<u>19</u>
EARNINGS PER SHARE (Note 23)						
Basic	<u>\$ 0.55</u>	<u>\$ 17.55</u>		<u>\$ 0.55</u>	<u>\$ 18.13</u>	
Diluted	<u>\$ 0.54</u>	<u>\$ 17.23</u>		<u>\$ 0.54</u>	<u>\$ 17.69</u>	

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		Total	Non-controlling Interests	Total Equity
	Share Capital	Capital Surplus			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				
		Share Premium	Share Options	Other		Total	Unappropriated Earnings			Total			
BALANCE AT 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
Share-based payments	-	-	34,111	-	34,111	-	-	-	-	-	34,111	-	34,111
Issuance of ordinary shares under the employee share options	2,072	181,962	(69,522)	-	112,440	-	-	-	-	-	114,512	-	114,512
Net profit for the three months ended March 31, 2025	-	-	-	-	-	-	1,463,518	1,463,518	-	-	1,463,518	(2,175)	1,461,343
Other comprehensive income (loss) for the three months ended March 31, 2025, net of income tax	-	-	-	-	-	-	-	-	527,434	(810)	526,624	-	526,624
Total comprehensive income (loss) for the three months ended March 31, 2025	-	-	-	-	-	-	1,463,518	1,463,518	527,434	(810)	1,990,142	(2,175)	1,987,967
Changes in capital surplus from investments in associates accounted for using the equity method	-	-	-	(6,373)	(6,373)	-	-	-	-	-	(6,373)	-	(6,373)
BALANCE AT MARCH 31, 2025	<u>\$ 808,557</u>	<u>\$ 24,694,166</u>	<u>\$ 783,167</u>	<u>\$ 13,322</u>	<u>\$ 25,490,655</u>	<u>\$ 67,693</u>	<u>\$ 12,148,072</u>	<u>\$ 12,215,765</u>	<u>\$ 3,119,952</u>	<u>\$ (46,815)</u>	<u>\$ 41,588,114</u>	<u>\$ 18,949</u>	<u>\$ 41,607,063</u>
BALANCE AT JANUARY 1, 2026	\$ 812,836	\$ 25,043,559	\$ 693,248	\$ 17,798	\$ 25,754,605	\$ 67,693	\$ 13,337,144	\$ 13,404,837	\$ 854,788	\$ (21,922)	\$ 40,805,144	\$ 19,093	\$ 40,824,237
Share-based payments	-	-	19,109	-	19,109	-	-	-	-	-	19,109	-	19,109
Issuance of ordinary shares under the employee share options	2,504	175,807	(68,330)	-	107,477	-	-	-	-	-	109,981	-	109,981
Net profit for the three months ended March 31, 2026	-	-	-	-	-	-	1,427,893	1,427,893	-	-	1,427,893	(777)	1,427,116
Other comprehensive income (loss) for the three months ended March 31, 2026, net of income tax	-	-	-	-	-	-	-	-	750,322	37,887	788,209	-	788,209
Total comprehensive income (loss) for the three months ended March 31, 2026	-	-	-	-	-	-	1,427,893	1,427,893	750,322	37,887	2,216,102	(777)	2,215,325
Changes in capital surplus from investments in associates accounted for using the equity method	-	-	-	2,480	2,480	-	-	-	-	-	2,480	-	2,480
BALANCE AT MARCH 31, 2026	<u>\$ 815,340</u>	<u>\$ 25,219,366</u>	<u>\$ 644,027</u>	<u>\$ 20,278</u>	<u>\$ 25,883,671</u>	<u>\$ 67,693</u>	<u>\$ 14,765,037</u>	<u>\$ 14,832,730</u>	<u>\$ 1,605,110</u>	<u>\$ 15,965</u>	<u>\$ 43,152,816</u>	<u>\$ 18,316</u>	<u>\$ 43,171,132</u>

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		Total	Non-controlling Interests	Total Equity
	Share Capital	Capital Surplus				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			
		Share Premium	Share Options	Other	Total		Unappropriated Earnings	Total					
BALANCE AT 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
Share-based payments	-	-	1,037	-	1,037	-	-	-	-	-	1,037	-	1,037
Issuance of ordinary shares under the employee share options	63	5,685	(2,268)	-	3,417	-	-	-	-	-	3,480	-	3,480
Net profit for the three months ended March 31, 2025	-	-	-	-	-	-	44,491	44,491	-	-	44,491	(67)	44,424
Other comprehensive income (loss) for the three months ended March 31, 2025, net of income tax	-	-	-	-	-	-	-	-	205	(25)	180	-	180
Total comprehensive income (loss) for the three months ended March 31, 2025	-	-	-	-	-	-	44,491	44,491	205	(25)	44,671	(67)	44,604
Changes in capital surplus from investments in associates accounted for using the equity method	-	-	-	(200)	(200)	-	-	-	-	-	(200)	-	(200)
BALANCE AT MARCH 31, 2025	<u>\$ 25,878</u>	<u>\$ 810,019</u>	<u>\$ 24,354</u>	<u>\$ 417</u>	<u>\$ 834,790</u>	<u>\$ 2,799</u>	<u>\$ 391,293</u>	<u>\$ 394,092</u>	<u>\$ (1,088)</u>	<u>\$ (1,253)</u>	<u>\$ 1,252,419</u>	<u>\$ 615</u>	<u>\$ 1,253,034</u>
BALANCE AT JANUARY 1, 2026	\$ 26,018	\$ 821,398	\$ 21,447	\$ 558	\$ 843,403	\$ 2,799	\$ 427,782	\$ 430,581	\$ (1,268)	\$ (456)	\$ 1,298,278	\$ 617	\$ 1,298,895
Share-based payments	-	-	604	-	604	-	-	-	-	-	604	-	604
Issuance of ordinary shares under the employee share options	78	5,602	(2,230)	-	3,372	-	-	-	-	-	3,450	-	3,450
Net profit for the three months ended March 31, 2026	-	-	-	-	-	-	45,143	45,143	-	-	45,143	(25)	45,118
Other comprehensive income (loss) for the three months ended March 31, 2026, net of income tax	-	-	-	-	-	-	-	-	(34)	1,198	1,164	-	1,164
Total comprehensive income (loss) for the three months ended March 31, 2026	-	-	-	-	-	-	45,143	45,143	(34)	1,198	46,307	(25)	46,282
Changes in capital surplus from investments in associates accounted for using the equity method	-	-	-	78	78	-	-	-	-	-	78	-	78
BALANCE AT MARCH 31, 2026	<u>\$ 26,096</u>	<u>\$ 827,000</u>	<u>\$ 19,821</u>	<u>\$ 636</u>	<u>\$ 847,457</u>	<u>\$ 2,799</u>	<u>\$ 472,925</u>	<u>\$ 475,724</u>	<u>\$ (1,302)</u>	<u>\$ 742</u>	<u>\$ 1,348,717</u>	<u>\$ 592</u>	<u>\$ 1,349,309</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 Three Months Ended March 31			
	2026		2025	
	USD	NTD	USD	NTD
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Income before income tax	\$ 56,402	\$ 1,784,038	\$ 54,512	\$ 1,793,179
Adjustments for:				
Depreciation and amortization	21,882	692,149	27,046	889,691
Expected credit loss	63	2,004	6,656	218,957
Finance costs	100	3,153	57	1,876
Interest income	(11,680)	(369,461)	(10,045)	(330,412)
Share-based compensation	604	19,109	1,037	34,111
Share of (gain) loss of associates by the equity method	(126)	(3,997)	544	17,880
Loss on disposal of equipment	56	1,756	5	155
Gain on disposal of financial assets	(1)	(40)	-	-
(Reversal) write-down of inventories	(4,849)	(153,388)	3,160	103,956
Net unrealized (gain) loss on foreign currency exchange	(872)	(22,870)	882	28,970
Amortization of prepayments	3,202	101,290	2,431	79,957
Net changes in operating assets and liabilities				
Trade receivables	17,427	551,245	83,954	2,761,670
Trade receivable from related parties	11,934	377,486	-	-
Other receivables	(3,053)	(96,540)	8,210	270,076
Inventories	(67,312)	(2,129,138)	87,704	2,885,036
Prepayments	21,994	695,658	19,528	642,369
Other current assets	1,702	53,829	7,114	234,042
Contract liabilities	391	12,368	153,476	5,048,615
Trade payables	(37,208)	(1,176,931)	(19,039)	(626,294)
Other payables	(1,248)	(44,168)	2,658	87,386
Other payables to related parties	-	-	(1,081)	(35,559)
Other current liabilities	(607)	(19,238)	563	18,483
Deferred revenue	10	356	1	32
Net cash generated from operations	8,811	278,670	429,373	14,124,176
Interest paid	(100)	(3,153)	(57)	(1,876)
Income tax paid	(823)	(26,037)	(1,232)	(40,527)
Net cash generated from operating activities	7,888	249,480	428,084	14,081,773
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of financial assets at fair value through other comprehensive income	(7,755)	(245,287)	(3,239)	(106,531)

(Continued)

# ALCHIP TECHNOLOGIES, LIMITED AND SUBSIDIARIES

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

	For the Three Months Ended March 31			
	2026		2025	
	USD	NTD	USD	NTD
Proceeds from sale of financial assets at fair value through other comprehensive income	\$ 2,000	\$ 63,262	\$ -	\$ -
Purchase of financial assets at amortized cost	(273,065)	(8,637,331)	(129,725)	(4,267,299)
Proceeds from sale of financial assets at amortized cost	138,700	4,387,230	62,019	2,040,112
Payments for purchase of equipment	(11,948)	(377,922)	(42,222)	(1,388,883)
Proceeds from disposal of equipment	-	3	4	134
Payments for refundable deposits	(1)	(33)	(88)	(2,901)
Inward of refundable deposits	11	350	9	301
Payments for purchase of intangible assets	(642)	(20,284)	(53)	(1,732)
Interest received	<u>13,137</u>	<u>415,511</u>	<u>10,259</u>	<u>337,455</u>
Net cash used in investing activities	<u>(139,563)</u>	<u>(4,414,501)</u>	<u>(103,036)</u>	<u>(3,389,344)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of the principal portion of lease liabilities	(385)	(12,162)	(459)	(15,089)
Proceeds from exercise of employee share options	<u>3,450</u>	<u>109,981</u>	<u>3,480</u>	<u>114,512</u>
Net cash generated from financing activities	<u>3,065</u>	<u>97,819</u>	<u>3,021</u>	<u>99,423</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES				
	<u>1,031</u>	<u>571,836</u>	<u>(643)</u>	<u>426,790</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(127,579)	(3,495,366)	327,426	11,218,642
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>1,038,094</u>	<u>32,627,305</u>	<u>824,896</u>	<u>27,044,210</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 910,515</u>	<u>\$ 29,131,939</u>	<u>\$ 1,152,322</u>	<u>\$ 38,262,852</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 THREE MONTHS ENDED MARCH 31, 2026 AND 2025 (In Thousands of U.S. Dollars and New Taiwan Dollars, Unless Stated Otherwise)

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### 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. From January 2021, the Company listed some of its shares of stock on the Luxembourg Stock Exchange (LuxSE) in the form of Global Depositary Receipts (GDRs).

### 2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on May 8, 2026.

### 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 IFRS Accounting Standards endorsed and issued into effect by the FSC did not have a material impact on the Group’s accounting policies.

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

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
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
Amendments to IAS 21 “Translation to a Hyperinflationary Presentation Currency”	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” and consequential amendments

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

- To classify items of income and expenses presented in the statement of profit or loss into the operating, investing, financing, income taxes and discontinued operations categories, the Group shall assess whether it has specified main business activities of investing in particular types of assets and providing financing to customers.
- 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.

In addition, the following consequential amendments have been made to IAS 7 “Statement of Cash Flows”:

- The Group shall use operating profit or loss as the starting point when presenting cash flows from operating activities under the indirect method.
- Interest and dividends received by the Group shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. However, if, after assessment, the Group has a specific main operating activity, it shall determine how to classify dividends received, interest received and interest paid in the statement of cash flows by referring to how it classifies dividend income, interest income and interest expense in the statement of profit or loss. The total of each of these cash flows shall be classified in a single category in the statement of cash flows.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the impacts 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**

These interim 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 these interim 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 4 and Table 5 for detailed information on subsidiaries, including percentages of ownership and main businesses.

d. Other material accounting policies

Except for the following, the accounting policies adopted in the consolidated interim financial statements are consistent with those applied in the consolidated financial statements for the year ended December 31, 2025.

### Income tax expense

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

## 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.

### **Key Sources of Estimation Uncertainty**

#### 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. Such estimates are evaluated by management based on market conditions and historical experience with similar products as of the end of the reporting period. Changes in market conditions may have a material impact on the estimation results.

Due to rapid technological upgrades and relatively short product life cycles in the semiconductor industry, inventories are subject to potential impairment or obsolescence. When management evaluates potential impairment or obsolescence, in addition to provisions made according to established inventory policies, factors such as the Group's inventory turnover, future order demand, and changes in external industrial environments, policies, and regulations must also be considered, resulting in higher estimation uncertainty.

## 6. CASH AND CASH EQUIVALENTS

	<b>March 31, 2026</b>	<b>December 31, 2025</b>	<b>March 31, 2025</b>
<u>NTD</u>			
Demand deposits	\$ 15,792,378	\$ 24,914,317	\$ 33,319,189
Cash equivalents (time deposits with original maturities of 3 months or less)	13,333,540	7,706,192	4,920,192
Checking accounts	5,917	6,660	23,087
Petty cash	<u>104</u>	<u>136</u>	<u>384</u>
	<u>\$ 29,131,939</u>	<u>\$ 32,627,305</u>	<u>\$ 38,262,852</u>
<u>USD</u>			
Demand deposits	\$ 493,589	\$ 792,692	\$ 1,003,439
Cash equivalents (time deposits with original maturities of 3 months or less)	416,738	245,186	148,176
Checking accounts	185	212	695
Petty cash	<u>3</u>	<u>4</u>	<u>12</u>
	<u>\$ 910,515</u>	<u>\$ 1,038,094</u>	<u>\$ 1,152,322</u>

## 7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	March 31, 2026	December 31, 2025	March 31, 2025
<u>NTD</u>			
Investment in debt instruments (a)	\$ 1,888,532	\$ 1,837,535	\$ 1,130,279
Investment in equity instruments (b)	<u>677,913</u>	<u>464,783</u>	<u>399,541</u>
	<u>\$ 2,566,445</u>	<u>\$ 2,302,318</u>	<u>\$ 1,529,820</u>
Current	\$ 281,570	\$ 162,896	\$ 82,822
Non-current	<u>2,284,875</u>	<u>2,139,422</u>	<u>1,446,998</u>
	<u>\$ 2,566,445</u>	<u>\$ 2,302,318</u>	<u>\$ 1,529,820</u>
<u>USD</u>			
Investment in debt instruments (a)	\$ 59,025	\$ 58,464	\$ 34,039
Investment in equity instruments (b)	<u>21,189</u>	<u>14,788</u>	<u>12,033</u>
	<u>\$ 80,214</u>	<u>\$ 73,252</u>	<u>\$ 46,072</u>
Current	\$ 8,800	\$ 5,183	\$ 2,494
Non-current	<u>71,414</u>	<u>68,069</u>	<u>43,578</u>
	<u>\$ 80,214</u>	<u>\$ 73,252</u>	<u>\$ 46,072</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 Bond, please refer to Table 2. The coupon rates of the bonds range from 0.00% 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

	March 31, 2026	December 31, 2025	March 31, 2025
<u>NTD</u>			
<u>Non-current</u>			
Domestic investments			
Unlisted shares	\$ 31,995	\$ 31,430	\$ 9,173
Foreign investments			
Equity investment fund	517,940	433,353	390,368
Unlisted shares	<u>127,978</u>	<u>-</u>	<u>-</u>
	<u>\$ 677,913</u>	<u>\$ 464,783</u>	<u>\$ 399,541</u>

(Continued)

	March 31, 2026	December 31, 2025	March 31, 2025
<u>USD</u>			
<u>Non-current</u>			
Domestic investments			
Unlisted shares	\$ 1,000	\$ 1,000	\$ 276
Foreign investments			
Equity investment fund	16,189	13,788	11,757
Unlisted shares	<u>4,000</u>	<u>-</u>	<u>-</u>
	<u>\$ 21,189</u>	<u>\$ 14,788</u>	<u>\$ 12,033</u>
			(Concluded)

The Group made investments for medium to long-term strategic purposes and expects to generate returns through long-term investments. Accordingly, management designates these investments in equity instruments as at FVTOCI, as they believe that recognizing short-term fluctuations in the fair value of these investments in profit or loss would not be consistent with the Group's long-term investment strategy.

#### 8. FINANCIAL ASSETS AT AMORTIZED COST

	March 31, 2026	December 31, 2025	March 31, 2025
<u>NTD</u>			
Time deposits with original maturities of more than 3 months	\$ 2,478,081	\$ 6,061,133	\$ 4,708,011
Pledged time deposits (Note 28)	<u>8,029,258</u>	<u>30,349</u>	<u>30,278</u>
	<u>\$ 10,507,339</u>	<u>\$ 6,091,482</u>	<u>\$ 4,738,289</u>
Current	\$ 10,044,943	\$ 6,091,482	\$ 4,645,773
Non-current	<u>462,396</u>	<u>-</u>	<u>92,516</u>
	<u>\$ 10,507,339</u>	<u>\$ 6,091,482</u>	<u>\$ 4,738,289</u>
<u>USD</u>			
Time deposits with original maturities of more than 3 months	\$ 77,452	\$ 192,845	\$ 141,786
Pledged time deposits (Note 28)	<u>250,954</u>	<u>966</u>	<u>912</u>
	<u>\$ 328,406</u>	<u>\$ 193,811</u>	<u>\$ 142,698</u>
Current	\$ 313,954	\$ 193,811	\$ 139,912
Non-current	<u>14,452</u>	<u>-</u>	<u>2,786</u>
	<u>\$ 328,406</u>	<u>\$ 193,811</u>	<u>\$ 142,698</u>

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:

March 31, 2026

	<u>At FVTOCI</u>		<u>At Amortized Cost</u>	
	<u>NTD</u>	<u>USD</u>	<u>NTD</u>	<u>USD</u>
Gross carrying amount	\$ 1,886,619	\$ 58,966	\$ 10,507,339	\$ 328,406
Less: Allowance for impairment loss	<u>(1,031)</u>	<u>(32)</u>	<u>-</u>	<u>-</u>
Amortized cost	1,885,588	58,934	<u>\$ 10,507,339</u>	<u>\$ 328,406</u>
Adjustment to fair value	<u>2,944</u>	<u>91</u>		
	<u>\$ 1,888,532</u>	<u>\$ 59,025</u>		

December 31, 2025

	<u>At FVTOCI</u>		<u>At Amortized Cost</u>	
	<u>NTD</u>	<u>USD</u>	<u>NTD</u>	<u>USD</u>
Gross carrying amount	\$ 1,815,894	\$ 57,776	\$ 6,091,482	\$ 193,811
Less: Allowance for impairment loss	<u>(1,271)</u>	<u>(40)</u>	<u>-</u>	<u>-</u>
Amortized cost	1,814,623	57,736	<u>\$ 6,091,482</u>	<u>\$ 193,811</u>
Adjustment to fair value	<u>22,912</u>	<u>728</u>		
	<u>\$ 1,837,535</u>	<u>\$ 58,464</u>		

March 31, 2025

	<u>At FVTOCI</u>		<u>At Amortized Cost</u>	
	<u>NTD</u>	<u>USD</u>	<u>NTD</u>	<u>USD</u>
Gross carrying amount	\$ 1,126,633	\$ 33,930	\$ 4,738,289	\$ 142,698
Less: Allowance for impairment loss	<u>(753)</u>	<u>(22)</u>	<u>-</u>	<u>-</u>
Amortized cost	1,125,880	33,908	<u>\$ 4,738,289</u>	<u>\$ 142,698</u>
Adjustment to fair value	<u>4,399</u>	<u>131</u>		
	<u>\$ 1,130,279</u>	<u>\$ 34,039</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:

<u>Category</u>	<u>Description</u>	<u>Basis for Recognizing ECLs</u>
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:

March 31, 2026

<u>Category</u>	<u>Expected Loss Rate</u>	<u>Total Carrying Amount</u>			
		<u>At FVTOCI</u>		<u>At Amortized Cost</u>	
		<u>NTD</u>	<u>USD</u>	<u>NTD</u>	<u>USD</u>
Performing	0.00%-0.14%	\$ 1,886,619	\$ 58,966	\$ 10,507,339	\$ 328,406
Doubtful	-	-	-	-	-
In default	-	-	-	-	-
Write-off	-	-	-	-	-

December 31, 2025

<u>Category</u>	<u>Expected Loss Rate</u>	<u>Total Carrying Amount</u>			
		<u>At FVTOCI</u>		<u>At Amortized Cost</u>	
		<u>NTD</u>	<u>USD</u>	<u>NTD</u>	<u>USD</u>
Performing	0.00%-0.13%	\$ 1,815,894	\$ 57,776	\$ 6,091,482	\$ 193,811
Doubtful	-	-	-	-	-
In default	-	-	-	-	-
Write-off	-	-	-	-	-

March 31, 2025

<u>Category</u>	<u>Expected Loss Rate</u>	<u>Total Carrying Amount</u>			
		<u>At FVTOCI</u>		<u>At Amortized Cost</u>	
		<u>NTD</u>	<u>USD</u>	<u>NTD</u>	<u>USD</u>
Performing	0.06%-0.12%	\$ 1,126,633	\$ 33,930	\$ 4,738,289	\$ 142,698
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:

	<b>Credit Rating</b>		
	<b>Performing</b>	<b>Doubtful</b>	<b>In Default</b>
<u>NTD</u>			
Balance at January 1, 2026	\$ 1,271	\$ -	\$ -
New debt instruments purchased	45	-	-
Derecognition	(40)	-	-
Change in model/risk parameters	(271)	-	-
Change in exchange rates or others	<u>26</u>	<u>-</u>	<u>-</u>
Balance at March 31, 2026	<u>\$ 1,031</u>	<u>\$ -</u>	<u>\$ -</u>
Balance at January 1, 2025	\$ 741	\$ -	\$ -
New debt instruments purchased	3	-	-
Change in exchange rates or others	<u>9</u>	<u>-</u>	<u>-</u>
Balance at March 31, 2025	<u>\$ 753</u>	<u>\$ -</u>	<u>\$ -</u>
<u>USD</u>			
Balance at January 1, 2026	\$ 40	\$ -	\$ -
New debt instruments purchased	1	-	-
Derecognition	(1)	-	-
Change in model/risk parameters	(9)	-	-
Change in others	<u>1</u>	<u>-</u>	<u>-</u>
Balance at March 31, 2026	<u>\$ 32</u>	<u>\$ -</u>	<u>\$ -</u>
Balance at January 1, 2025	\$ 22	\$ -	\$ -
New debt instruments purchased	-	-	-
Change in others	<u>-</u>	<u>-</u>	<u>-</u>
Balance at March 31, 2025	<u>\$ 22</u>	<u>\$ -</u>	<u>\$ -</u>

## 10. TRADE RECEIVABLES

	<b>March 31, 2026</b>	<b>December 31, 2025</b>	<b>March 31, 2025</b>
<u>NTD</u>			
At amortized cost			
Gross carrying amount	\$ 3,306,368	\$ 3,804,685	\$ 3,849,514
Less: Allowance for impairment loss	<u>(1,192,327)</u>	<u>(1,169,062)</u>	<u>(1,054,738)</u>
	<u>\$ 2,114,041</u>	<u>\$ 2,635,623</u>	<u>\$ 2,794,776</u>
			(Continued)

	<b>March 31, 2026</b>	<b>December 31, 2025</b>	<b>March 31, 2025</b>
<u>USD</u>			
At amortized cost			
Gross carrying amount	\$ 103,339	\$ 121,052	\$ 115,931
Less: Allowance for impairment loss	<u>(37,265)</u>	<u>(37,195)</u>	<u>(31,764)</u>
	<u>\$ 66,074</u>	<u>\$ 83,857</u>	<u>\$ 84,167</u>
			(Concluded)

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. Aside from recognizing impairment losses for credit-impaired accounts receivable individually, 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:

	<b>March 31, 2026</b>	<b>December 31, 2025</b>	<b>March 31, 2025</b>
<u>NTD</u>			
Past due within 60 days	\$ 1,749,622	\$ 2,355,498	\$ 2,437,971
Past due 61-120 days	220,835	93,881	205,896
Past due over 121 days	<u>1,335,911</u>	<u>1,355,306</u>	<u>1,205,647</u>
	<u>\$ 3,306,368</u>	<u>\$ 3,804,685</u>	<u>\$ 3,849,514</u>

<u>USD</u>			
Past due within 60 days	\$ 54,684	\$ 74,944	\$ 73,421
Past due 61-120 days	6,902	2,987	6,201
Past due over 121 days	<u>41,753</u>	<u>43,121</u>	<u>36,309</u>
	<u>\$ 103,339</u>	<u>\$ 121,052</u>	<u>\$ 115,931</u>

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

	<b>For the Three Months Ended March 31</b>	
	<b>2026</b>	<b>2025</b>
<u>NTD</u>		
Balance at January 1	\$ 1,169,062	\$ 823,174
Net remeasurement of loss allowance	2,223	218,954
Foreign exchange gains and losses	<u>21,042</u>	<u>12,610</u>
Balance at March 31	<u>\$ 1,192,327</u>	<u>\$ 1,054,738</u>
<u>USD</u>		
Balance at January 1	\$ 37,195	\$ 25,108
Net remeasurement of loss allowance	<u>70</u>	<u>6,656</u>
Balance at March 31	<u>\$ 37,265</u>	<u>\$ 31,764</u>

## 11. INVENTORIES

	<b>March 31, 2026</b>	<b>December 31, 2025</b>	<b>March 31, 2025</b>
<u>NTD</u>			
Finished goods	\$ 407,108	\$ 356,754	\$ 1,974,144
Work in progress	8,822,434	6,588,172	2,631,151
Raw materials	<u>149,555</u>	<u>524</u>	<u>1,149,018</u>
	<u>\$ 9,379,097</u>	<u>\$ 6,945,450</u>	<u>\$ 5,754,313</u>
<u>USD</u>			
Finished goods	\$ 12,724	\$ 11,351	\$ 59,453
Work in progress	275,745	209,614	79,240
Raw materials	<u>4,674</u>	<u>17</u>	<u>34,604</u>
	<u>\$ 293,143</u>	<u>\$ 220,982</u>	<u>\$ 173,297</u>

The cost of integrated circuit recognized as cost of goods sold for the three months ended March 31, 2026 and 2025 were NT\$1,574,899 thousand (US\$49,790 thousand) and NT\$7,520,971 thousand (US\$228,636 thousand), respectively.

The cost of goods sold included a reversal of inventory write-down of NT\$153,388 thousand (US\$4,849 thousand) and a write-down of inventory of NT\$103,956 thousand (US\$3,160 thousand) for the three months ended March 31, 2026 and 2025, respectively. In the first quarter of 2026, reversal of inventory write-down resulted from an increase in net realizable value.

## 12. SUBSIDIARIES

### a. Subsidiaries included in the consolidated financial statements

Investor	Investee	Nature of Activities	Proportion of Ownership (%)			Remark
			March 31, 2026	December 31, 2025	March 31, 2025	
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	-
	AshAI, Limited (registered in Cayman Island) (referred to as "AshAI Cayman")	Investments	-	-	-	Note
	Alchip HK	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 HK	Alchip Technologies (Wuxi) (registered in China) (referred to as "Alchip Wuxi")	Research and development, design, and sales of ASIC and SOC 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 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 Guangzhou	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	100	-
	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 Shanghai	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	-
AshAI Cayman	AshAI, Inc. (registered in the U.S.A.) (referred to as "AshAI USA")	Product technical support and consulting services.	-	-	-	Note

Note: Both companies were established in March 2026. As of March 31, 2026, no capital injection had been completed.

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

## 13. PROPERTY, PLANT AND EQUIPMENT

	March 31, 2026	December 31, 2025	March 31, 2025
<u>NTD</u>			
Machinery equipment	\$ 973,310	\$ 1,593,274	\$ 2,428,300
Computer equipment	42,018	44,333	50,192
Leasehold improvements	26,167	26,641	447
Office equipment	12,298	14,135	7,308
Transportation equipment	<u>1,277</u>	<u>1,421</u>	<u>2,030</u>
	<u>\$ 1,055,070</u>	<u>\$ 1,679,804</u>	<u>\$ 2,488,277</u>

(Continued)

	<b>March 31, 2026</b>	<b>December 31, 2025</b>	<b>March 31, 2025</b>
<u>USD</u>			
Machinery equipment	\$ 30,421	\$ 50,691	\$ 73,131
Computer equipment	1,313	1,411	1,512
Leasehold improvements	818	847	13
Office equipment	384	452	220
Transportation equipment	<u>40</u>	<u>45</u>	<u>61</u>
	<u>\$ 32,976</u>	<u>\$ 53,446</u>	<u>\$ 74,937</u>
			(Concluded)

The Group acquired additional machinery equipment amounted to NT\$103,562 thousand (US\$3,274 thousand) and NT\$1,554,916 thousand (US\$47,220 thousand) for the three months ended March 31, 2026 and 2025, 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
Leasehold improvements	2-6 years
Transportation equipment	3 years

#### 14. LEASE ARRANGEMENTS

##### a. Right-of-use assets

	<b>March 31, 2026</b>	<b>December 31, 2025</b>	<b>March 31, 2025</b>
<u>NTD</u>			
Buildings	\$ 185,201	\$ 193,027	\$ 70,354
Machinery equipment	<u>94,589</u>	<u>102,875</u>	<u>142,705</u>
	<u>\$ 279,790</u>	<u>\$ 295,902</u>	<u>\$ 213,059</u>
<u>USD</u>			
Buildings	\$ 5,788	\$ 6,141	\$ 2,119
Machinery equipment	<u>2,957</u>	<u>3,274</u>	<u>4,297</u>
	<u>\$ 8,745</u>	<u>\$ 9,415</u>	<u>\$ 6,416</u>

	<b>For the Three Months Ended March 31</b>	
	<b>2026</b>	<b>2025</b>
<u>NTD</u>		
Additions to right-of-use assets	<u>\$ 3,961</u>	<u>\$ -</u>
Depreciation charge for right-of-use assets		
Buildings	\$ 14,747	\$ 13,100
Machinery equipment	<u>10,019</u>	<u>10,603</u>
	<u>\$ 24,766</u>	<u>\$ 23,703</u>
<u>USD</u>		
Additions to right-of-use assets	<u>\$ 126</u>	<u>\$ -</u>
Depreciation charge for right-of-use assets		
Buildings	\$ 466	\$ 398
Machinery equipment	<u>317</u>	<u>323</u>
	<u>\$ 783</u>	<u>\$ 721</u>

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 three months ended March 31, 2026 and 2025.

b. Lease liabilities

	<b>March 31, 2026</b>	<b>December 31, 2025</b>	<b>March 31, 2025</b>
<u>NTD</u>			
Current	<u>\$ 131,469</u>	<u>\$ 115,478</u>	<u>\$ 69,913</u>
Non-current	<u>\$ 195,140</u>	<u>\$ 209,762</u>	<u>\$ 129,321</u>
<u>USD</u>			
Current	<u>\$ 4,109</u>	<u>\$ 3,674</u>	<u>\$ 2,105</u>
Non-current	<u>\$ 6,099</u>	<u>\$ 6,674</u>	<u>\$ 3,895</u>

Range of discount rates for lease liabilities was as follows:

	<b>March 31, 2026</b>	<b>December 31, 2025</b>	<b>March 31, 2025</b>
Buildings	0.98%-6.70%	0.98%-6.70%	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 1.25 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 three months ended March 31, 2026 and 2025.

d. Other lease information

	<b>For the Three Months Ended March 31</b>	
	<b>2026</b>	<b>2025</b>
<u>NTD</u>		
Expenses relating to short-term leases	<u>\$ 2,815</u>	<u>\$ 4,355</u>
Expenses relating to low-value asset leases	<u>\$ -</u>	<u>\$ 15</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>\$ 4,757</u>	<u>\$ 3,532</u>
Total cash outflow for leases	<u>\$ 22,887</u>	<u>\$ 24,867</u>
<u>USD</u>		
Expenses relating to short-term leases	<u>\$ 89</u>	<u>\$ 132</u>
Expenses relating to low-value asset leases	<u>\$ -</u>	<u>\$ -</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>\$ 150</u>	<u>\$ 107</u>
Total cash outflow for leases	<u>\$ 724</u>	<u>\$ 755</u>

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

	<u>March 31, 2026</u>		<u>December 31, 2025</u>		<u>March 31, 2025</u>	
	NTD	USD	NTD	USD	NTD	USD
Lease commitments	<u>\$ 350,344</u>	<u>\$ 10,950</u>	<u>\$ 354,760</u>	<u>\$ 11,287</u>	<u>\$ 219,143</u>	<u>\$ 6,600</u>

**15. INTANGIBLE ASSETS**

	<b>March 31, 2026</b>	<b>December 31, 2025</b>	<b>March 31, 2025</b>
<u>NTD</u>			
Silicon Intellectual Property (SIP)	\$ 175,171	\$ 255,156	\$ 262,154
Software cost	<u>1,159</u>	<u>2,264</u>	<u>9,070</u>
	<u>\$ 176,330</u>	<u>\$ 257,420</u>	<u>\$ 271,224</u>

(Continued)

	<b>March 31, 2026</b>	<b>December 31, 2025</b>	<b>March 31, 2025</b>
<u>USD</u>			
Silicon Intellectual Property (SIP)	\$ 5,475	\$ 8,117	\$ 7,895
Software cost	<u>36</u>	<u>73</u>	<u>273</u>
	<u>\$ 5,511</u>	<u>\$ 8,190</u>	<u>\$ 8,168</u>
			(Concluded)

The Group's addition to SIP amounted to NT\$49,423 thousand (US\$1,563 thousand) and NT\$71,832 thousand (US\$2,184 thousand) for the three months ended March 31, 2026 and 2025, 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	1-3 years
Software cost	1-3 years

## 16. PREPAYMENTS

	<b>March 31, 2026</b>	<b>December 31, 2025</b>	<b>March 31, 2025</b>
<u>NTD</u>			
Prepayments for raw materials	\$ 1,966,811	\$ 2,731,169	\$ 293,782
Prepayments for electronic design automation (EDA) tools	608,042	594,232	361,499
Prepayments for SIP	279,604	278,001	173,954
Others	<u>32,915</u>	<u>27,484</u>	<u>43,735</u>
	<u>\$ 2,887,372</u>	<u>\$ 3,630,886</u>	<u>\$ 872,970</u>
<u>USD</u>			
Prepayments for raw materials	\$ 61,472	\$ 86,897	\$ 8,848
Prepayments for electronic design automation (EDA) tools	19,004	18,907	10,887
Prepayments for SIP	8,739	8,845	5,239
Others	<u>1,029</u>	<u>874</u>	<u>1,316</u>
	<u>\$ 90,244</u>	<u>\$ 115,523</u>	<u>\$ 26,290</u>

## 17. OTHER PAYABLES

	March 31, 2026	December 31, 2025	March 31, 2025
<u>NTD</u>			
Payables for salaries or bonuses	\$ 869,034	\$ 800,444	\$ 1,155,101
Payables for electronic design automation (EDA) tools	522,558	589,492	263,771
Payables for SIP	41,156	14,775	930
Payables for professional services	40,544	70,650	8,643
Payables for technical services	36,856	25,316	124,902
Payables for equipment	23,462	510,112	276,198
Others	<u>45,658</u>	<u>41,242</u>	<u>70,996</u>
	<u>\$ 1,579,268</u>	<u>\$ 2,052,031</u>	<u>\$ 1,900,541</u>
<u>USD</u>			
Payables for salaries or bonuses	\$ 27,162	\$ 25,468	\$ 34,787
Payables for electronic design automation (EDA) tools	16,332	18,756	7,944
Payables for SIP	1,286	470	28
Payables for professional services	1,267	2,248	260
Payables for technical services	1,152	805	3,762
Payables for equipment	733	16,230	8,318
Others	<u>1,428</u>	<u>1,312</u>	<u>2,138</u>
	<u>\$ 49,360</u>	<u>\$ 65,289</u>	<u>\$ 57,237</u>

## 18. EQUITY

### a. Ordinary shares

	March 31, 2026	December 31, 2025	March 31, 2025
Authorized shares (in thousands of shares)	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
Authorized capital (in thousands of NT\$)	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>
Issued and paid shares (in thousands of shares)	<u>81,534</u>	<u>81,284</u>	<u>80,856</u>
Issued capital (in thousands of NT\$)	<u>\$ 815,340</u>	<u>\$ 812,836</u>	<u>\$ 808,557</u>
Issued capital (in thousands of US\$)	<u>\$ 26,096</u>	<u>\$ 26,018</u>	<u>\$ 25,878</u>

Fully paid ordinary shares, which have a par value of NT\$10, carry one vote per share and the right to receive dividends. The change in share capital was mainly due to issuing new common shares offered in the form of GDRs, private placement, and the exercise 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 share 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 March 31, 2026, the holders of GDRs had redeemed 11,294.4 thousand units, which were equivalent to 11,294.4 thousand ordinary shares. The outstanding GDRs were equal to 5.6 thousand shares, which accounted for 0.007% of the Company's total outstanding ordinary shares.

On March 6, 2026, the Board of Directors resolved to issue up to 6,000 thousand shares to participate in the issuance of GDRs through a cash capital increase. This proposal is subject to approval in the 2026 shareholders' meeting. Upon approval, the Chairman will be authorized to proceed with the issuance in accordance with applicable laws and regulations and market conditions.

### 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' 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:

Closing date	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:

Closing date	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.

On March 6, 2026, the board of directors resolved to conduct a private placement of ordinary shares with a total limit of 2,000 thousand shares. The offering may be executed once to three times within one year from the date of the shareholders' meeting resolution. The proposal of private placement is to be resolved in the 2026 shareholders' meeting.

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' 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 2025 and 2024 that were proposed and resolved by board of directors and the shareholders in their meetings on March 6, 2026 and May 29, 2025, respectively, were as follows:

	<b>2025</b>			
	<b>Appropriation of Earnings (In Thousand)</b>		<b>Dividends Per Share (In Dollar)</b>	
	<b>NTD</b>	<b>USD</b>	<b>NTD</b>	<b>USD</b>
Cash dividends	<u>\$ 2,797,457</u>	<u>\$ 88,276</u>	\$ 34.41	\$ 1.086
	<b>2024</b>			
	<b>Appropriation of Earnings (In Thousand)</b>		<b>Dividends Per Share (In Dollar)</b>	
	<b>NTD</b>	<b>USD</b>	<b>NTD</b>	<b>USD</b>
Cash dividends	<u>\$ 2,945,750</u>	<u>\$ 98,570</u>	\$ 36.50	\$ 1.221

The appropriations of earnings for 2025 are to be resolved in the shareholders' meeting which is expected to be held on May 26, 2026.

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 cumulative translation adjustments will be reversed by proportion base on the Group's disposal of foreign operations. However, if the Group loses 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, 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:

	<b>For the Three Months Ended March 31</b>			
	<b>2026</b>		<b>2025</b>	
	<b>Number of Options</b>	<b>Weighted- average Exercise Price (NT\$)</b>	<b>Number of Options</b>	<b>Weighted- average Exercise Price (NT\$)</b>
Balance on January 1	1,815,736	\$ 659	2,436,314	\$ 618
Options granted	40,000	2,995	-	-
Options exercised	(250,389)	439	(207,147)	553
Options expired	<u>(1,043)</u>	856	<u>(2,500)</u>	947
Balance on March 31	<u>1,604,304</u>	677	<u>2,226,667</u>	624
Options exercisable, end of the period	<u>1,440,191</u>	546	<u>1,869,755</u>	506
Weighted-average fair value of options granted (NT\$)	<u>\$ 1,778</u>		<u>\$ -</u>	

The weighted-average share prices on the exercise date of the share options for the three months ended March 31, 2026 and 2025 were \$3,355 and \$3,052, respectively.

Information on outstanding options was as follows:

<b>March 31</b>			
<b>2026</b>		<b>2025</b>	
<b>Exercise Price (NT\$)</b>	<b>Weighted-average Remaining Contractual Life (In Years)</b>	<b>Exercise Price (NT\$)</b>	<b>Weighted-average Remaining Contractual Life (In Years)</b>
\$ 40.0	0.94	\$ 36.3	0.93
95.4	1.77	24.4	1.62
93.1	1.86	40.0	1.94
114.8	2.00	81.2	2.66
120.6	2.05	95.4	2.77
118.6	2.36	93.1	2.86
85.4	2.48	114.8	3.00
72.6	3.14	120.6	3.05
93.4	3.36	118.6	3.36
200.9	3.65	85.4	3.48
202.9	3.89	73.3	3.97
262.5	4.08	72.6	4.14
316.3	4.21	93.4	4.36
553.4	4.34	200.9	4.65
546.3	4.71	202.9	4.89
783.9	4.94	262.5	5.08
392.9	5.13	319.1	5.21
553.5	5.39	558.3	5.34
983.7	5.58	551.2	5.71
938.8	5.95	790.9	5.94
846.3	6.08	396.4	6.13
790.9	6.41	558.4	6.39
816.5	6.63	992.5	6.58
1,477.0	7.15	947.2	6.95
3,344.6	7.96	853.8	7.08
2,462.6	8.41	797.9	7.41
2,009.0	8.59	823.8	7.63
2,279.7	9.11	1,490.2	8.15
2,995.0	9.95	3,374.4	8.96
		2,484.5	9.41
		2,026.9	9.59

Options granted in March 2026 were priced by Black-Scholes pricing model and the inputs to the model on each grant-date were as follows:

	<b>March 9, 2026</b>
Grant-date share price (NT\$)	2,995
Exercise price (NT\$)	2,995
Expected volatility	62.77%-64.16%
Expected life (in years)	6-7 years
Expected dividend yield	-
Risk-free interest rate	1.38%-1.41%

Compensation costs recognized were NT\$19,109 thousand (US\$604 thousand) and NT\$34,111 thousand (US\$1,037 thousand) for the three months ended March 31, 2026 and 2025, respectively.

In order to attract and retain talents and to motivate employees, the Company's board of directors approved the issuance of 2026 employee share options and the related subscription plan on May 8, 2026. A total of 200 units of employee share options are to be issued, and each unit entitles the holder to subscribe for 1,000 ordinary shares of the Company. Accordingly, up to 200,000 additional ordinary shares may be issued upon the exercise of these employee share options.

## 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. For the three months ended March 31, 2026 and 2025, the Group recognized revenue of NT\$1,590,341 thousand (US\$50,278 thousand) and NT\$4,337,155 thousand (US\$131,848 thousand), respectively, from the contract liability outstanding balance at the beginning of the year.

### b. Disaggregation of revenue from contracts with customers

	<b>For the Three Months Ended March 31</b>			
	<b>2026</b>		<b>2025</b>	
	<b>NTD</b>	<b>USD</b>	<b>NTD</b>	<b>USD</b>
<u>Production</u>				
ASIC and wafer product	\$ 4,037,410	\$ 127,641	\$ 10,421,659	\$ 316,816
Non-recurring engineering (NRE)	149,445	4,725	57,212	1,739
Others	-	-	5,984	182
	<u>\$ 4,186,855</u>	<u>\$ 132,366</u>	<u>\$ 10,484,855</u>	<u>\$ 318,737</u>
<u>Geography</u>				
China	\$ 1,949,054	\$ 61,618	\$ 326,774	\$ 9,934
United States	958,295	30,296	9,716,013	295,364
Japan	343,466	10,859	224,369	6,821
Europe	26,096	825	5,503	167
Others	909,944	28,768	212,196	6,451
	<u>\$ 4,186,855</u>	<u>\$ 132,366</u>	<u>\$ 10,484,855</u>	<u>\$ 318,737</u>
<u>Application type</u>				
High performance computing	\$ 2,923,644	\$ 92,430	\$ 9,985,543	\$ 303,558
Consumer	697,746	22,059	183,192	5,569
Communication	434,736	13,744	233,807	7,108
Niche market	130,729	4,133	82,313	2,502
	<u>\$ 4,186,855</u>	<u>\$ 132,366</u>	<u>\$ 10,484,855</u>	<u>\$ 318,737</u>

(Continued)

	<b>For the Three Months Ended March 31</b>			
	<b>2026</b>		<b>2025</b>	
	<b>NTD</b>	<b>USD</b>	<b>NTD</b>	<b>USD</b>
<u>Resolution</u>				
3-nanometer	\$ 889,118	\$ 28,109	\$ 928,883	\$ 28,238
5-nanometer	2,346,225	74,175	3,324,976	101,078
7-nanometer	306,548	9,691	5,793,451	176,120
12-nanometer	359,697	11,372	134,730	4,096
16-nanometer and above	<u>285,267</u>	<u>9,019</u>	<u>302,815</u>	<u>9,205</u>
	<u>\$ 4,186,855</u>	<u>\$ 132,366</u>	<u>\$ 10,484,855</u>	<u>\$ 318,737</u>
				(Concluded)

## 21. NET PROFIT

Net profit included the following items:

a. Interest income

	<b>For the Three Months Ended March 31</b>	
	<b>2026</b>	<b>2025</b>
<u>NTD</u>		
Bank deposits	\$ 258,508	\$ 278,379
Investments in debt instruments at FVTOCI	21,449	13,159
Financial assets at amortized cost	89,389	38,751
Others	<u>115</u>	<u>123</u>
	<u>\$ 369,461</u>	<u>\$ 330,412</u>
<u>USD</u>		
Bank deposits	\$ 8,172	\$ 8,463
Investments in debt instruments at FVTOCI	678	400
Financial assets at amortized cost	2,826	1,178
Others	<u>4</u>	<u>4</u>
	<u>\$ 11,680</u>	<u>\$ 10,045</u>

b. Other gains and losses

	<b>For the Three Months Ended March 31</b>	
	<b>2026</b>	<b>2025</b>
<u>NTD</u>		
Net foreign exchange gains (losses)	\$ 20,919	\$ (27,138)
Loss on disposal of equipment	(1,756)	(155)
Gain on disposal of financial assets	40	-
Others	<u>-</u>	<u>(295)</u>
	<u>\$ 19,203</u>	<u>\$ (27,588)</u>
<u>USD</u>		
Net foreign exchange gains (losses)	\$ 662	\$ (825)
Loss on disposal of equipment	(56)	(5)
Gain on disposal of financial assets	1	-
Others	<u>-</u>	<u>(9)</u>
	<u>\$ 607</u>	<u>\$ (839)</u>

c. Finance costs

	<b>For the Three Months Ended March 31</b>	
	<b>2026</b>	<b>2025</b>
<u>NTD</u>		
Interest on lease liabilities	<u>\$ 3,153</u>	<u>\$ 1,876</u>
<u>USD</u>		
Interest on lease liabilities	<u>\$ 100</u>	<u>\$ 57</u>

d. Depreciation and amortization

	<b>For the Three Months Ended March 31</b>	
	<b>2026</b>	<b>2025</b>
<u>NTD</u>		
Property, plant and equipment	\$ 533,250	\$ 810,971
Right-of-use assets	24,766	23,703
Intangible assets	<u>134,133</u>	<u>55,017</u>
	<u>\$ 692,149</u>	<u>\$ 889,691</u>

(Continued)

	<b>For the Three Months Ended March 31</b>	
	<b>2026</b>	<b>2025</b>
An analysis of depreciation by function		
Operating costs	\$ 516,187	\$ 788,625
Operating expenses	<u>41,829</u>	<u>46,049</u>
	<u>\$ 558,016</u>	<u>\$ 834,674</u>
An analysis of amortization by function		
Operating costs	\$ 133,023	\$ 52,966
Operating expenses	<u>1,110</u>	<u>2,051</u>
	<u>\$ 134,133</u>	<u>\$ 55,017</u>
<u>USD</u>		
Property, plant and equipment	\$ 16,858	\$ 24,653
Right-of-use assets	783	721
Intangible assets	<u>4,241</u>	<u>1,672</u>
	<u>\$ 21,882</u>	<u>\$ 27,046</u>
An analysis of depreciation by function		
Operating costs	\$ 16,318	\$ 23,974
Operating expenses	<u>1,323</u>	<u>1,400</u>
	<u>\$ 17,641</u>	<u>\$ 25,374</u>
An analysis of amortization by function		
Operating costs	\$ 4,206	\$ 1,610
Operating expenses	<u>35</u>	<u>62</u>
	<u>\$ 4,241</u>	<u>\$ 1,672</u>

(Concluded)

e. Employee benefits expense

	<b>For the Three Months Ended March 31</b>	
	<b>2026</b>	<b>2025</b>
<u>NTD</u>		
Post-employment benefits		
Defined contribution plan	\$ 23,136	\$ 20,999
Share-based payments (Note 19)	19,109	34,111
Other employee benefits	<u>409,530</u>	<u>466,385</u>
	<u>\$ 451,775</u>	<u>\$ 521,495</u>

(Continued)

	<b>For the Three Months Ended March 31</b>	
	<b>2026</b>	<b>2025</b>
An analysis of employee benefits expense by function		
Operating costs	\$ 6,453	\$ 5,737
Operating expenses	<u>445,322</u>	<u>515,758</u>
	<u>\$ 451,775</u>	<u>\$ 521,495</u>
 <u>USD</u>		
Post-employment benefits		
Defined contribution plan	\$ 731	\$ 638
Share-based payments (Note 19)	604	1,037
Other employee benefits	<u>12,947</u>	<u>14,178</u>
	<u>\$ 14,282</u>	<u>\$ 15,853</u>
 An analysis of employee benefits expense by function		
Operating costs	\$ 204	\$ 174
Operating expenses	<u>14,078</u>	<u>15,679</u>
	<u>\$ 14,282</u>	<u>\$ 15,853</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 March 31, 2026 and 2025 were as follows:

	<b>For the Three Months Ended March 31, 2026</b>	
	<b>NTD</b>	<b>USD</b>
Compensation of employees	\$ 63,262	\$ 2,000
Remuneration of directors	<u>15,816</u>	<u>500</u>
	<u>\$ 79,078</u>	<u>\$ 2,500</u>
 <b>For the Three Months Ended March 31, 2025</b>		
	<b>NTD</b>	<b>USD</b>
Compensation of employees	\$ 75,659	\$ 2,300
Remuneration of directors	<u>16,448</u>	<u>500</u>
	<u>\$ 92,107</u>	<u>\$ 2,800</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 the remuneration of directors for 2025 and 2024 were as follows:

	<b>For the Year Ended December 31</b>			
	<b>2025</b>		<b>2024</b>	
	<b>Cash (NTD)</b>	<b>Cash (USD)</b>	<b>Cash (NTD)</b>	<b>Cash (USD)</b>
Compensation of employees	\$ 280,620	\$ 9,000	\$ 321,120	\$ 10,000
Remuneration of directors	<u>43,652</u>	<u>1,400</u>	<u>48,168</u>	<u>1,500</u>
	<u>\$ 324,272</u>	<u>\$ 10,400</u>	<u>\$ 369,288</u>	<u>\$ 11,500</u>
Amounts recognized in the consolidated financial statements	<u>\$ 324,272</u>	<u>\$ 10,400</u>	<u>\$ 369,288</u>	<u>\$ 11,500</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:

	<b>For the Three Months Ended March 31</b>			
	<b>2026</b>		<b>2025</b>	
	<b>NTD</b>	<b>USD</b>	<b>NTD</b>	<b>USD</b>
Current tax				
In respect of the current period	\$ 214,542	\$ 6,782	\$ 409,149	\$ 12,438
Adjustments for prior period	<u>114</u>	<u>4</u>	<u>98</u>	<u>3</u>
	<u>214,656</u>	<u>6,786</u>	<u>409,247</u>	<u>12,441</u>
Deferred tax				
In respect of the current period	<u>142,266</u>	<u>4,498</u>	<u>(77,411)</u>	<u>(2,353)</u>
Income tax expense recognized in profit or loss	<u>\$ 356,922</u>	<u>\$ 11,284</u>	<u>\$ 331,836</u>	<u>\$ 10,088</u>

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, 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

	<b>For the Three Months Ended March 31</b>			
	<b>2026</b>		<b>2025</b>	
	<b>NTD</b>	<b>USD</b>	<b>NTD</b>	<b>USD</b>
Deferred tax				
In respect of the current year				
Fair value changes of				
financial assets at				
FVTOCI	<u>\$ 2,131</u>	<u>\$ 68</u>	<u>\$ (671)</u>	<u>\$ (20)</u>
Total income tax recognized in other comprehensive income	<u>\$ 2,131</u>	<u>\$ 68</u>	<u>\$ (671)</u>	<u>\$ (20)</u>

c. Income tax assessments

Tax returns of Alchip Taiwan Branch and Alchip Technologies Inc. through 2024 have been assessed by the tax authorities, and there is no significant difference between the assessment results and the income tax returns filed.

d. Tax expense related to Pillar Two income tax legislation

The Group's subsidiaries incorporated in Hong Kong, Vietnam, and Malaysia are subject to the Pillar Two income tax legislation, which has become effective in those jurisdictions. According to this legislation, if any subsidiary has profits below the effective tax rate of 15%, they are required to pay a top-up tax in accordance with the Qualified Domestic Minimum Top-up Tax regulations in the respective local jurisdictions. In addition, Alchip Technologies, KK, incorporated in Japan, is subject to Pillar Two income tax legislation, which was enacted in April 2024. The implementation of Qualified Domestic Minimum Top-up Tax became effective from April 2026.

The application of the Pillar Two rules does not have a material impact on the Group's consolidated financial statements. The Group will continue to monitor and assess the possible impact on the Group's future financial performance.

## 23. EARNINGS PER SHARE

Unit: USD/NTD Per Share

	<b>For the Three Months Ended March 31</b>			
	<b>2026</b>		<b>2025</b>	
	<b>NTD</b>	<b>USD</b>	<b>NTD</b>	<b>USD</b>
Basic earnings per share	<u>\$ 17.55</u>	<u>\$ 0.55</u>	<u>\$ 18.13</u>	<u>\$ 0.55</u>
Diluted earnings per share	<u>\$ 17.23</u>	<u>\$ 0.54</u>	<u>\$ 17.69</u>	<u>\$ 0.54</u>

EPS is computed as follows:

	<b>For the Three Months Ended March 31</b>			
	<b>2026</b>		<b>2025</b>	
	<b>NTD</b>	<b>USD</b>	<b>NTD</b>	<b>USD</b>
<u>Net profit for the period</u>				
Profit for the period attributable to owners of the Company	\$ 1,427,893	\$ 45,143	\$ 1,463,518	\$ 44,491
Earnings used in the computation of basic and diluted earnings per share	<u>\$ 1,427,893</u>	<u>\$ 45,143</u>	<u>\$ 1,463,518</u>	<u>\$ 44,491</u>

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

	<b>For the Three Months Ended March 31</b>	
	<b>2026</b>	<b>2025</b>
Weighted average number of ordinary shares used in the computation of basic earnings per share	81,340	80,741
Effect of potentially dilutive ordinary shares		
Employee share option	1,423	1,878
Compensation of employees	<u>88</u>	<u>90</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>82,851</u>	<u>82,709</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

	<b>For the Three Months Ended March 31</b>			
	<b>2026</b>		<b>2025</b>	
	<b>NTD</b>	<b>USD</b>	<b>NTD</b>	<b>USD</b>
Additions of property, plant and equipment	\$ 105,571	\$ 3,338	\$ 1,558,699	\$ 47,384
Rebate of property, plant and equipment	(217,828)	(6,887)	(64,047)	(1,947)
Changes in payables for equipment	486,650	15,497	(108,909)	(3,215)
Effect of foreign currency exchange differences	<u>3,529</u>	<u>-</u>	<u>3,140</u>	<u>-</u>
Payments for acquisition of equipment	<u>\$ 377,922</u>	<u>\$ 11,948</u>	<u>\$ 1,388,883</u>	<u>\$ 42,222</u>

(Continued)

	<b>For the Three Months Ended March 31</b>			
	<b>2026</b>		<b>2025</b>	
	<b>NTD</b>	<b>USD</b>	<b>NTD</b>	<b>USD</b>
Additions of intangible assets	\$ 49,457	\$ 1,564	\$ 74,947	\$ 2,278
Changes in prepayments	1,603	(106)	(70,793)	(2,226)
Changes in other payables	(26,381)	(816)	1,268	1
Effect of foreign currency exchange differences	<u>(4,395)</u>	<u>-</u>	<u>(3,690)</u>	<u>-</u>
Payments for acquisition of intangible assets	<u>\$ 20,284</u>	<u>\$ 642</u>	<u>\$ 1,732</u>	<u>\$ 53</u>

(Concluded)

## 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 that the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements not measured at fair value 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.

March 31, 2026

<u>NTD</u>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets at FVTOCI				
Investments in debt instruments				
Corporate bonds	\$ -	\$ 1,888,532	\$ -	\$ 1,888,532
Investments in equity instruments				
Equity investment fund	-	-	517,940	517,940
Unlisted domestic shares	-	-	31,995	31,995
Unlisted foreign shares	<u>-</u>	<u>-</u>	<u>127,978</u>	<u>127,978</u>
	<u>\$ -</u>	<u>\$ 1,888,532</u>	<u>\$ 677,913</u>	<u>\$ 2,566,445</u>

(Continued)

	Level 1	Level 2	Level 3	Total
<u>USD</u>				
Financial assets at FVTOCI				
Investments in debt instruments				
Corporate bonds	\$ -	\$ 59,025	\$ -	\$ 59,025
Investments in equity instruments				
Equity investment fund	-	-	16,189	16,189
Unlisted domestic shares	-	-	1,000	1,000
Unlisted foreign shares	-	-	4,000	4,000
	<u>-\$</u>	<u>\$ 59,025</u>	<u>\$ 21,189</u>	<u>\$ 80,214</u>
				(Concluded)

December 31, 2025

	Level 1	Level 2	Level 3	Total
<u>NTD</u>				
Financial assets at FVTOCI				
Investments in debt instruments				
Corporate bonds	\$ -	\$ 1,837,535	\$ -	\$ 1,837,535
Investments in equity instruments				
Equity investment fund	-	-	433,353	433,353
Unlisted domestic shares	-	-	31,430	31,430
	<u>-\$</u>	<u>\$ 1,837,535</u>	<u>\$ 464,783</u>	<u>\$ 2,302,318</u>

USD

Financial assets at FVTOCI				
Investments in debt instruments				
Corporate bonds	\$ -	\$ 58,464	\$ -	\$ 58,464
Investments in equity instruments				
Equity investment fund	-	-	13,788	13,788
Unlisted domestic shares	-	-	1,000	1,000
	<u>-\$</u>	<u>\$ 58,464</u>	<u>\$ 14,788</u>	<u>\$ 73,252</u>

March 31, 2025

	Level 1	Level 2	Level 3	Total
<u>NTD</u>				
Financial assets at FVTOCI				
Investments in debt instruments				
Corporate bonds	\$ -	\$ 1,130,279	\$ -	\$ 1,130,279
Investments in equity instruments				
Equity investment fund	-	-	390,368	390,368
Unlisted domestic shares	-	-	9,173	9,173
	<u>-\$</u>	<u>\$ 1,130,279</u>	<u>\$ 399,541</u>	<u>\$ 1,529,820</u>
				(Continued)

	Level 1	Level 2	Level 3	Total
<u>USD</u>				
Financial assets at FVTOCI				
Investments in debt instruments				
Corporate bonds	\$ -	\$ 34,039	\$ -	\$ 34,039
Investments in equity instruments				
Equity investment fund	-	-	11,757	11,757
Unlisted domestic shares	<u>-</u>	<u>-</u>	<u>276</u>	<u>276</u>
	<u>\$ -</u>	<u>\$ 34,039</u>	<u>\$ 12,033</u>	<u>\$ 46,072</u>
				(Concluded)

There were no transfers between Levels 1 and 2 for the three months ended March 31, 2026 and 2025.

2) Reconciliation of Level 3 fair value measurements of financial instruments

The financial assets measured at Level 3 fair value were equity investments classified as financial assets at FVTOCI. Reconciliations for the three months ended March 31, 2026 and 2025 are as follows:

	<u>For the Three Months Ended March 31</u>			
	<u>2026</u>		<u>2025</u>	
	NTD	USD	NTD	USD
Balance on January 1	\$ 464,783	\$ 14,788	\$ 298,624	\$ 9,109
Recognized in other comprehensive income (unrealized valuation gain (loss) on financial assets at FVTOCI)	60,165	1,903	(5,544)	(168)
Purchases	142,280	4,498	101,728	3,092
Effect of foreign currency exchange differences	<u>10,685</u>	<u>-</u>	<u>4,733</u>	<u>-</u>
Balance on March 31	<u>\$ 677,913</u>	<u>\$ 21,189</u>	<u>\$ 399,541</u>	<u>\$ 12,033</u>

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

<u>Financial Instrument</u>	<u>Valuation Technique and Inputs</u>
Foreign corporate bond investment	Integrated based on quoted market prices provided by third-party pricing services for each corporate bond.

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

The fair values of domestic and foreign unlisted equity securities were determined by the most recent capital increase price, or 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.

c. Category of financial instruments

	<b>March 31, 2026</b>	<b>December 31, 2025</b>	<b>March 31, 2025</b>
<u>NTD</u>			
<u>Financial assets</u>			
Financial assets at amortized cost (1)	\$ 42,153,697	\$ 42,071,111	\$ 46,030,912
Financial assets at FVTOCI			
Debt instruments	1,888,532	1,837,535	1,130,279
Equity instruments	677,913	464,783	399,541
<u>Financial liabilities</u>			
Amortized cost (2)	1,536,913	3,230,334	1,950,584
<u>USD</u>			
<u>Financial assets</u>			
Financial assets at amortized cost (1)	1,317,509	1,338,566	1,386,263
Financial assets at FVTOCI			
Debt instruments	59,025	58,464	34,039
Equity instruments	21,189	14,788	12,033
<u>Financial liabilities</u>			
Amortized cost (2)	48,036	102,779	58,744

- 1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, trade receivables (including related parties), 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.

	<b>Unit: In Thousands of U.S. Dollars</b>	
	<b>Profit or Loss</b>	
	<b>For the Three Months Ended March 31</b>	
	<b>2026</b>	<b>2025</b>
RMB	\$ 3,767	\$ 4,094
NTD	200	1,067
USD	43	269

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:

	<b>March 31, 2026</b>	<b>December 31, 2025</b>	<b>March 31, 2025</b>
<u>NTD</u>			
Fair value interest rate risk			
Financial assets	\$ 25,729,411	\$ 15,635,209	\$ 10,788,760
Financial liabilities	326,609	325,240	199,234
Cash flow interest rate risk			
Financial assets	15,792,378	24,914,317	33,319,189
<u>USD</u>			
Fair value interest rate risk			
Financial assets	804,169	497,461	324,913
Financial liabilities	10,208	10,348	6,000
Cash flow interest rate risk			
Financial assets	493,589	792,692	1,003,439

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 three months ended March 31, 2026 and 2025 would have increased/decreased by NT\$9,870 thousand (US\$308 thousand) and NT\$20,824 thousand (US\$627 thousand), respectively.

c) Other price risk

The Group is exposed to equity price risk through its investments in domestic and foreign equity securities. Equity investments are not held for trading purposes but as strategic investments; the Group does not actively trade these investments. The Group adopts sensitivity analysis to measure the price risk of equity securities.

Sensitivity analysis

The sensitivity analysis below was based on the exposure to price risks at the balance sheet date.

If equity prices increases/decreases by 10%, the Group's other comprehensive income before tax from January 1 to March 31, 2026 and 2025 will increase/decrease by \$67,791 thousand (US\$2,119 thousand), and \$39,954 thousand (US\$1,203 thousand), respectively, as a result of the changes in fair value of financial assets at FVTOCI ; if the unobservable input used, that is, the non-controlling interests discount and discount for lack of marketability, increases/decreases by 10%, the Group's other comprehensive income before tax from January 1 to March 31, 2026 and 2025 will increase/decrease by \$72,644 thousand (US\$2,270 thousand), and \$41,985 thousand (US\$1,264 thousand), respectively, as a result of the changes in fair value of financial assets at FVTOCI.

## 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 Group 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 March 31, 2026, December 31, 2025 and March 31, 2025, the Group's five largest customers accounted for 50%, 68% 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 can be required to pay. The interest recognition is not material.

	March 31, 2026									
	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
Non-derivative financial liabilities										
Trade payables	\$ 442,039	\$ 390,059	\$ -	\$ -	\$ -	\$ 13,816	\$ 12,191	\$ -	\$ -	\$ -
Other payables	628,488	3,223	37,910	35,194	-	19,643	101	1,185	1,100	-
Lease liabilities	40,788	21,666	79,213	198,533	10,582	1,275	677	2,476	6,205	331
	<u>\$ 1,111,315</u>	<u>\$ 414,948</u>	<u>\$ 117,123</u>	<u>\$ 233,727</u>	<u>\$ 10,582</u>	<u>\$ 34,734</u>	<u>\$ 12,969</u>	<u>\$ 3,661</u>	<u>\$ 7,305</u>	<u>\$ 331</u>

	December 31, 2025									
	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
Non-derivative financial liabilities										
Trade payables	\$ 1,789,113	\$ 197,380	\$ -	\$ -	\$ -	\$ 56,924	\$ 6,280	\$ -	\$ -	\$ -
Other payables	1,214,490	10,969	18,382	-	-	38,641	349	585	-	-
Lease liabilities	28,393	20,326	77,565	208,963	16,373	902	647	2,468	6,649	521
	<u>\$ 3,031,996</u>	<u>\$ 228,675</u>	<u>\$ 95,947</u>	<u>\$ 208,963</u>	<u>\$ 16,373</u>	<u>\$ 96,467</u>	<u>\$ 7,276</u>	<u>\$ 3,053</u>	<u>\$ 6,649</u>	<u>\$ 521</u>

  

	March 31, 2025									
	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
Non-derivative financial liabilities										
Trade payables	\$ 1,074,443	\$ 143,048	\$ -	\$ -	\$ -	\$ 32,358	\$ 4,308	\$ -	\$ -	\$ -
Other payables	506,245	26,897	199,951	-	-	15,246	810	6,022	-	-
Lease liabilities	4,457	7,719	63,355	134,207	-	134	232	1,908	4,042	-
	<u>\$ 1,585,145</u>	<u>\$ 177,664</u>	<u>\$ 263,306</u>	<u>\$ 134,207</u>	<u>\$ -</u>	<u>\$ 47,738</u>	<u>\$ 5,350</u>	<u>\$ 7,930</u>	<u>\$ 4,042</u>	<u>\$ -</u>

b) Financing facilities

	March 31, 2026	December 31, 2025	March 31, 2025
<u>NTD</u>			
Other loan facilities			
Amount used	\$ -	\$ -	\$ -
Amount unused	<u>234,703</u>	<u>228,438</u>	<u>138,775</u>
	<u>\$ 234,703</u>	<u>\$ 228,438</u>	<u>\$ 138,775</u>
<u>USD</u>			
Other loan facilities			
Amount used	\$ -	\$ -	\$ -
Amount unused	<u>7,336</u>	<u>7,268</u>	<u>4,179</u>
	<u>\$ 7,336</u>	<u>\$ 7,268</u>	<u>\$ 4,179</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

<u>Related Party Name</u>	<u>Related Party Category</u>
Adoresys PTE. LTD.	Associate

b. Receivables due from related parties (exclude loan to related parties)

NTD

<b>Line Item</b>	<b>Related Party Category</b>	<b>March 31, 2026</b>	<b>December 31, 2025</b>	<b>March 31, 2025</b>
Trade receivables	Associate	\$ <u>          -</u>	\$ <u>375,087</u>	\$ <u>          -</u>

USD

<b>Line Item</b>	<b>Related Party Category</b>	<b>March 31, 2026</b>	<b>December 31, 2025</b>	<b>March 31, 2025</b>
Trade receivables	Associate	\$ <u>          -</u>	\$ <u>11,934</u>	\$ <u>          -</u>

The outstanding trade receivables from related parties mentioned above were unsecured. For the three months ended March 31, 2026 and 2025, no provisions for impairment loss were recognized.

c. Other accrued expenses

NTD

<b>Related Party Category</b>	<b>March 31, 2026</b>	<b>December 31, 2025</b>	<b>March 31, 2025</b>
Associate	\$ <u>7,999</u>	\$ <u>          -</u>	\$ <u>          -</u>

USD

<b>Related Party Category</b>	<b>March 31, 2026</b>	<b>December 31, 2025</b>	<b>March 31, 2025</b>
Associate	\$ <u>250</u>	\$ <u>          -</u>	\$ <u>          -</u>

The outstanding other accrued expenses to related parties are unsecured.

d. Contract liabilities

NTD

<b>Related Party Category</b>	<b>March 31, 2026</b>	<b>December 31, 2025</b>	<b>March 31, 2025</b>
Associate	\$ <u>83,427</u>	\$ <u>          -</u>	\$ <u>          -</u>

USD

<b>Related Party Category</b>	<b>March 31, 2026</b>	<b>December 31, 2025</b>	<b>March 31, 2025</b>
Associate	\$ <u>2,607</u>	\$ <u>          -</u>	\$ <u>          -</u>

e. Service expense

NTD

Line Item	Related Party Category	For the Three Months Ended March 31	
		2026	2025
Research and development expenses	Associate	\$ 7,908	\$ 12,336

USD

Line Item	Related Party Category	For the Three Months Ended March 31	
		2026	2025
Research and development expenses	Associate	\$ 250	\$ 375

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.

f. Remuneration of directors and key management personnel

	For the Three Months Ended March 31	
	2026	2025
<u>NTD</u>		
Other employee benefits	\$ 82,355	\$ 102,590
Share-based payments	4,943	2,902
Post-employment benefits	<u>277</u>	<u>217</u>
	\$ 87,575	\$ 105,709

USD

Other employee benefits	\$ 2,604	\$ 3,119
Share-based payments	156	88
Post-employment benefits	<u>9</u>	<u>7</u>
	\$ 2,769	\$ 3,214

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 March 31, 2026, December 31, 2025, and March 31, 2025, the Group provided time deposits amounting to NT\$8,029,258 thousand (US\$250,954 thousand), NT\$30,349 thousand (US\$966 thousand), and NT\$30,278 thousand (US\$912 thousand) as tariff guarantees for imported raw materials and collateral for standby letters of credit issued by bank.

## 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 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 March 31, 2026, December 31, 2025 and March 31, 2025, the Group was still obligated to pay US\$12,550 thousand, US\$12,550 thousand and US\$23,274 thousand, respectively.
- b. The Group entered into a cloud computing service agreement with Company A on December 31, 2025, for a contract term from January 1, 2026, to December 31, 2030. The Group shall pay service fee based on the actual number of computing hours used, and has committed to a minimum annual purchase commitment of US\$8,000 thousand.
- c. As of March 31, 2026, standby letters of credit issued by financial institutions for purchases of raw materials amounted to US\$500,000 thousand.

## 30. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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:

March 31, 2026

	Foreign Currency	Exchange Rate	Carrying Amount (USD in Thousands)
<u>Financial assets</u>			
Monetary items			
RMB	\$ 652,879	0.144521 (RMB:USD)	\$ 94,355
NTD	153,355	0.031255 (NTD:USD)	4,793
EUR	5,002	1.147367 (EUR:USD)	5,739
USD	2,749	159.565981 (USD:JPY)	<u>2,749</u>
			<u>\$ 107,636</u>
Non-monetary items			
Investments in equity instruments at FVTOCI			
RMB	52,159	0.144521 (RMB:USD)	\$ 7,538
NTD	31,995	0.031255 (NTD:USD)	<u>1,000</u>
			<u>\$ 8,538</u>

(Continued)

	<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Carrying Amount (USD in Thousands)</b>
<u>Financial liabilities</u>			
Monetary items			
RMB	131,611	0.144521 (RMB:USD)	\$ 19,021
USD	1,891	159.565981 (USD:JPY)	1,891
NTD	25,695	0.031255 (NTD:USD)	<u>803</u>
			<u>\$ 21,715</u>
			(Concluded)

December 31, 2025

	<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Carrying Amount (USD in Thousands)</b>
<u>Financial assets</u>			
Monetary items			
RMB	\$ 594,055	0.142272 (RMB:USD)	\$ 84,517
USD	5,489	156.519017 (USD:JPY)	5,489
NTD	41,357	0.031817 (NTD:USD)	<u>1,316</u>
			<u>\$ 91,322</u>
Non-monetary items			
Investments in equity instruments at FVTOCI			
RMB	\$ 49,826	0.142272 (RMB:USD)	\$ 7,089
NTD	31,430	0.031817 (NTD:USD)	<u>1,000</u>
			<u>\$ 8,089</u>
<u>Financial liabilities</u>			
Monetary items			
RMB	119,591	0.142272 (RMB:USD)	\$ 17,014
USD	2,840	156.519017 (USD:JPY)	2,840
NTD	37,319	0.031817 (NTD:USD)	<u>1,187</u>
			<u>\$ 21,041</u>

March 31, 2025

	<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Carrying Amount (USD in Thousands)</b>
<u>Financial assets</u>			
Monetary items			
RMB	\$ 645,050	0.139311 (RMB:USD)	\$ 89,863
NTD	754,155	0.030116 (NTD:USD)	22,712
USD	6,904	149.097957 (USD:JPY)	<u>6,904</u>
			<u>\$ 119,479</u>
Non-monetary items			
Investments in equity instruments at FVTOCI			
RMB	46,861	0.139311 (RMB:USD)	\$ 6,528
NTD	9,173	0.030116 (NTD:USD)	<u>276</u>
			<u>\$ 6,804</u>
<u>Financial liabilities</u>			
Monetary items			
RMB	57,332	0.139311 (RMB:USD)	\$ 7,987
USD	1,520	149.097957 (USD:JPY)	1,520
NTD	45,559	0.030116 (NTD:USD)	<u>1,372</u>
			<u>\$ 10,879</u>

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

<b>Foreign Currency</b>	<b>For the Three Months Ended March 31</b>			
	<b>2026</b>		<b>2025</b>	
	<b>Exchange Rate (Foreign Currency: Functional Currency)</b>	<b>Net Foreign Exchange Gains (Losses)</b>	<b>Exchange Rate (Foreign Currency: Functional Currency)</b>	<b>Net Foreign Exchange Gains (Losses)</b>
RMB	0.143875 (RMB:USD)	\$ 933	0.139353 (RMB:USD)	\$ (12)
USD	156.911972 (USD:JPY)	9	148.989852 (USD:JPY)	(247)
NTD	0.031615 (NTD:USD)	(76)	0.030959 (NTD:USD)	(570)
MYR	0.243890 (MYR:USD)	(27)	0.142871 (MYR:USD)	-
EUR	1.171003 (EUR:USD)	<u>(173)</u>	1.083143 (EUR:USD)	<u>-</u>
		<u>\$ 666</u>		<u>\$ (829)</u>

### **31. SEPARATELY DISCLOSED ITEMS**

- a. Information on significant transactions and b. Information on investees
  - 1) Financing provided to others: Table 1
  - 2) Endorsements/guarantees provided: None
  - 3) Significant marketable securities held: Table 2
  - 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 3
  - 7) Information on investees: Table 4
- 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 5
  - 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.

## ALCHIP TECHNOLOGIES, LIMITED AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS  
FOR THE THREE MONTHS ENDED MARCH 31, 2026  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period (Note 3)	Ending Balance	Actual Amount Borrowed	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing (Note 6)	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 2)	Aggregate Financing Limit (Note 2)	Note
													Item	Value			
1	Alchip Investment Inc.	SiPearl	Other receivables	No	\$ 300,640 (EUR 8,000)	\$ 293,680 (EUR 8,000)	\$ -	6	The need for short-term financing	\$ -	Business cooperation and strategic alliance needs	\$ -	None	\$ -	\$ 444,156	\$ 888,312	-

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:

- a. The Company is "0".
- b. The subsidiaries are numbered in order starting from "1".

Note 2: In accordance with the Company's policy, limit on total loans shall not exceed 40% of the Company's net assets based on the latest financial statements, and limit on loans to any individual company or firm shall not exceed 20% of the Company's net assets.

Note 3: The maximum balance of funds lent to others during the period.

Note 4: The foreign currency listed in Table 1 was presented at the foreign exchange rate of EUR1: NT\$36.71 as of March 31, 2026.

Note 5: As of March 31, 2026, the actual amount borrowed under the loan facility was EUR0. On May 8, 2026, to align with the Group's investment strategy adjustments, the board of directors resolved to cancel the previously approved loan arrangement of EUR 8,000 thousand to SiPearl.

## ALCHIP TECHNOLOGIES, LIMITED AND SUBSIDIARIES

## SIGNIFICANT MARKETABLE SECURITIES HELD

MARCH 31, 2026

(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	March 31, 2026				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	-	\$ 63,869	-	\$ 63,869	-
	BNP PARIBAS SA	-	"	-	51,182	-	51,182	-
	Credit Agricole SA	-	"	-	31,967	-	31,967	-
	HSBC Holdings PLC	-	"	-	31,961	-	31,961	-
	Toyota Motor	-	"	-	64,393	-	64,393	-
	Australia Bank	-	"	-	31,841	-	31,841	-
	SHINHAN CARD	-	"	-	6,357	-	6,357	-
	NTT Finance Corp	-	Financial assets at fair value through other comprehensive income - non-current	-	32,273	-	32,273	-
	Macquarie Bank	-	"	-	32,405	-	32,405	-
	Banco Santander SA	-	"	-	32,745	-	32,745	-
	Korea National Oil Corp	-	"	-	32,180	-	32,180	-
	Korea Gas Corp	-	"	-	16,356	-	16,356	-
	CK Hutchison International (24) Limited	-	"	-	68,700	-	68,700	-
	TSMC Global Ltd	-	"	-	51,286	-	51,286	-
	Citigroup Inc	-	"	-	50,822	-	50,822	-
	UBS GROUP AG VRN	-	"	-	51,172	-	51,172	-
	Goldman Sachs Group Inc	-	"	-	50,904	-	50,904	-
	Broadcom Inc	-	"	-	52,170	-	52,170	-
	Bank of America Corp.	-	"	-	50,934	-	50,934	-
	DEUTSCHE BANK AG	-	"	-	51,095	-	51,095	-
	ANZ NEW ZEALAND INT'L LTD	-	"	-	52,455	-	52,455	-
	UBS GROUP AG	-	"	-	51,013	-	51,013	-
	NOMURA HOLDINGS INC	-	"	-	51,819	-	51,819	-
	JPMORGAN CHASE & CO	-	"	-	50,885	-	50,885	-
	META PLATFORMS INC	-	"	-	19,370	-	19,370	-
	PFIZER INVESTMENT ENTERPRISES	-	"	-	31,797	-	31,797	-
	ELI LILLY & CO	-	"	-	25,572	-	25,572	-
	Pfizer Investment Enterprises Pte. Ltd.	-	"	-	25,743	-	25,743	-
	TSMC ARIZONA CORP	-	"	-	23,875	-	23,875	-
	UNITEDHEALTH GROUP INC	-	"	-	25,976	-	25,976	-
	BP CAP Market	-	"	-	31,077	-	31,077	-

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2026				Note
				Number of Shares/Units (In Thousands)	Carrying Amount	Percentage of Ownership (%)	Fair Value	
	Citigroup Global Markets Holdings Inc	-	Financial assets at fair value through other comprehensive income - non-current	-	\$ 31,426	-	\$ 31,426	-
	BAC	-	"	-	22,141	-	22,141	-
	GS LCCN	-	"	-	15,998	-	15,998	-
	Saudi International	-	"	-	63,766	-	63,766	-
	PFIZER INVESTMENT	-	"	-	64,144	-	64,144	-
	Verizon	-	"	-	31,915	-	31,915	-
	BP CAP Market	-	"	-	58,063	-	58,063	-
	ELECTRICITE DE	-	"	-	32,785	-	32,785	-
	GOLDMAN SACHS	-	"	-	31,977	-	31,977	-
	MORGAN STANLEY	-	"	-	65,468	-	65,468	-
	BNP PARIBAS	-	"	-	59,652	-	59,652	-
	Mitsubishi UFJ	-	"	-	64,604	-	64,604	-
	UBS Group	-	"	-	66,562	-	66,562	-
	Cathaylife Singapore	-	"	-	31,397	-	31,397	-
	Republic of Chile	-	"	-	4,440	-	4,440	-
	<u>Unlisted shares/equity investment fund</u>							
	ACHI CAPITAL PARTNERS FUND L.P.	-	"	-	276,760	1.94	276,760	-
	Kandou AI Holding SA	-	"	-	31,995	0.28	31,995	-
	MatX Inc.	-	"	-	63,989	0.06	63,989	-
	Ayar Labs, Inc.	-	"	-	31,994	0.03	31,994	-
Alchip Shanghai	KQ (Shenzhen) Semiconductor & Technology Industry Equity Investment Fund	-	"	-	93,317	0.81	93,317	-
	KQ (Suzhou) Emerging Industry Venture Equity Investment Fund	-	"	-	147,863	2.62	147,863	-
Alchip TW	Uniconn Interconnections Technology Co., Ltd.	-	"	3,026	-	5.24	-	-
	Brillink Inc.	The Company is the director of Brillink Inc.	"	1,000	31,995	12.20	31,995	-

Note: For the information on investments in subsidiaries and associates, see Tables 4 and 5 for details.

(Concluded)

## ALCHIP TECHNOLOGIES, LIMITED AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS  
FOR THE THREE MONTHS ENDED MARCH 31, 2026

(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 4)	Payment Terms	% of Total Sales or Assets (Note 3)
1	Alchip Wuxi	Alchip Shanghai	c	Accounts receivable	\$ 66,659	Based on regular items	-
2	Alchip Hefei	Alchip Shanghai	c	Accounts receivable	37,986	"	-
3	Alchip Guangzhou	Alchip Shanghai	c	Accounts receivable	52,739	"	-
4	Alchip Jinan	Alchip Shanghai	c	Accounts receivable	70,580	"	-
5	Alchip US	The Company	b	Accounts receivable	24,350	"	-
6	Alchip Chongqing	Alchip Shanghai	c	Accounts receivable	57,836	"	-

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 numbered in order starting from '1'.

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 March 31, 2026, while revenues, costs and expenses are shown as a percentage to consolidated revenues for the three months ended March 31, 2026.

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.

## ALCHIP TECHNOLOGIES, LIMITED AND SUBSIDIARIES

## INFORMATION ON INVESTEEES

FOR THE THREE MONTHS ENDED MARCH 31, 2026

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

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of March 31, 2026			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				March 31, 2026	December 31, 2025	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	\$ 2,484,493	\$ 239,698	\$ 239,698	-
	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	10,432	(29,420)	(29,420)	-
	Alchip KK	Japan	Product technical support and consulting services	33,902 (JPY 100,000)	33,902 (JPY 100,000)	2	100.0	68,360	(46,838)	(46,838)	-
	Alchip TW	Taiwan	ASIC and SOC services	100	100	10	100.0	347,942	(6,232)	(6,232)	-
	Alchip BVI	Tortola, British Virgin Islands	Investment	2,476,041 (US\$ 77,500) (Note 1)	2,066,141 (US\$ 64,500)	50	100.0	2,726,023 (Note 1)	20,555	20,555	-
	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	5,000	(14,260)	(14,260)	-
	AshAI Cayman	Cayman Islands	Investments	-	-	-	-	-	-	-	Note 3
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	18,736	(2,638)	(2,638)	-
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	71,776	22,852	3,997	-
AshAI Cayman	AshAI USA	U.S.A.	Product technical support and consulting services	-	-	-	-	-	-	-	Note 3

Note 1: Among which, an amount of NT\$2,002,724 thousand (US\$62,400 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: Both companies were established in March 2026. As of March 31, 2026, no capital injection had been completed.

Note 4: For the information on investments in mainland China, see Table 5 for details.

**TABLE 5**

**ALCHIP TECHNOLOGIES, LIMITED AND SUBSIDIARIES**

**INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
FOR THE THREE MONTHS ENDED MARCH 31, 2026  
(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, 2026	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2026	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of March 31, 2026	Accumulated Repatriation of Investment Income as of March 31, 2026
					Outward	Inward						
Alchip Shanghai	Research and development, design, and sales of ASIC and SOC and rendering of related services	\$ 409,536 (US\$ 12,800) (RMB 102,392)	Note 1, b.	\$ 409,536 (US\$ 12,800)	\$ -	\$ -	\$ 409,536 (US\$ 12,800)	\$ 337,655	100	\$ 337,655 (Note 2, b.)	\$ 1,777,542	\$ -
Alchip Wuxi	Research and development, design, and sales of ASIC and SOC and rendering of related services	63,990 (US\$ 2,000) (RMB 12,482)	Note 1, b.	63,990 (US\$ 2,000)	-	-	63,990 (US\$ 2,000)	(29,518)	100	(29,518) (Note 2, b.)	239,492	-
Alchip Hefei	Research and development, design, and sales of ASIC and SOC and rendering of related services	15,998 (US\$ 500) (RMB 3,469)	Note 1, b.	15,998 (US\$ 500)	-	-	15,998 (US\$ 500)	(18,222)	100	(18,222) (Note 2, b.)	199,552	-
Alchip Jinan	Research and development, design, and sales of ASIC and SOC and rendering of related services	25,084 (US\$ 784) (RMB 5,031)	Note 1, b.	25,084 (US\$ 784)	-	-	25,084 (US\$ 784)	(28,720)	100	(28,720) (Note 2, b.)	120,860	-
Alchip Guangzhou	Research and development, design, and sales of ASIC and SOC and rendering of related services	51,192 (US\$ 1,600) (RMB 10,523)	Note 1, b.	51,192 (US\$ 1,600)	-	-	51,192 (US\$ 1,600)	(18,858)	100	(18,858) (Note 2, b.)	126,120	-
Chiptopia Shanghai	Software development and services, design, and sales of ASIC and SOC related services	48,675 (US\$ 1,521) (RMB 10,000)	Note 1, c.	(Note 3)	-	-	(Note 3)	(2,220)	65	(1,443) (Note 2, b.)	35,163	-
Alchip Chongqing	Research and development, design, and sales of ASIC and SOC and rendering of related services	24,802 (US\$ 775) (RMB 5,000)	Note 1, c.	(Note 4)	-	-	(Note 4)	(25,745)	100	(25,745) (Note 2, b.)	103,135	-

Accumulated Outward Remittance for Investments in Mainland China as of March 31, 2026	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA
\$ -	\$ -	\$ -

(Continued)

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 5 was presented at the foreign exchange rate of US\$1: NT\$31.995 as of March 31, 2026.

(Concluded)