

**Alchip Technologies, Limited and
Subsidiaries**

**Consolidated Financial Statements for the
Six Months Ended June 30, 2026 and 2025 and
Independent Auditors' Report**

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Alchip Technologies, Limited

Opinion

We have audited the accompanying consolidated financial statements of Alchip Technologies, Limited (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of June 30, 2026 and 2025, and the consolidated statements of comprehensive income for the three months ended June 30, 2026 and 2025 and for the six months ended June 30, 2026 and 2025, the consolidated statements of changes in equity and cash flows for the six months then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of June 30, 2026 and 2025, and its consolidated financial performance for the three months ended June 30, 2026 and 2025, and its consolidated financial performance and its consolidated cash flows for the six months ended June 30, 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.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the six months ended June 30, 2026. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter of the Group's consolidated financial statements for the six months ended June 30, 2026 is stated as follows:

Valuation of Inventory

The Group is mainly engaged in providing silicon design services, producing and selling customized chips. Due to the rapid upgrading of process technology in the semiconductor industry, products may suffer from value decline or obsolescence resulting from the shortening of the product life cycle. With respect to those value-declined or obsolete inventories, a loss reserve is provided in accordance with the Group's inventory impairment policy, furthermore, the inventory turnover, the demand for future orders, and the changes in the external industrial environment policies and regulations are taken into consideration by the management when determining the value of inventory. As such considerations involve the management's subjective judgments with uncertainties, the valuation of inventory is identified as a key audit matter.

As of June 30, 2026, the Group's inventory balance was NT\$24,282,526 thousand (US\$762,403 thousand), accounting for 27% of the total assets in the consolidated balance sheet. Refer to Notes 4, 5 and 11 to the consolidated financial statements for the relative accounting policy and information.

The main audit procedures that we performed in respect of the above area included the following, among others:

1. We obtained an understanding of the management's assessment process of inventory impairment or obsolescence.
2. We evaluated the reasonableness of the Group's inventory impairment policy on the basis of the Group's inventory turnover and actual obsolescence situation.
3. We obtained the inventory aging report and verified the accuracy and completeness of the report, as well as the correctness of the classification for each aging interval. Furthermore, we recalculated the provision of the impairment loss in accordance with the inventory impairment policy.
4. We performed a retrospective review of the prior year's inventory impairment or obsolescence losses estimated by the management, compared and analyzed them with the current year's estimations to evaluate the reasonableness of the assumptions and judgments made by the management.

Responsibilities of Management and Those Charged with Governance for 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, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including members of the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and review of the group audit work performed. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the six months ended June 30, 2026, and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Chien-Liang Liu Li-chun Chang

Deloitte & Touche
Taipei, Taiwan
Republic of China

August 14, 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' 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' report and consolidated financial statements shall prevail.

ALCHIP TECHNOLOGIES, LIMITED AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

	June 30, 2026		December 31, 2025		June 30, 2025	
ASSETS	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 39,405,227	44	\$ 32,627,305	56	\$ 31,049,273	64
Financial assets at fair value through other comprehensive income (Notes 7 and 9)	210,519	-	162,896	-	165,032	-
Financial assets at amortized cost (Notes 8, 9 and 28)	13,471,211	15	6,091,482	10	4,482,528	9
Trade receivables, net (Note 10)	5,270,067	6	2,635,623	5	1,951,644	4
Trade receivables due from related parties (Notes 10 and 27)	-	-	375,087	1	-	-
Other receivables	282,388	-	242,823	-	216,433	1
Inventories (Note 11)	24,282,526	27	6,945,450	12	1,667,353	4
Prepayments (Notes 16 and 29)	1,235,245	1	3,630,886	6	4,298,393	9
Other current assets	<u>434,552</u>	<u>1</u>	<u>345,495</u>	<u>1</u>	<u>34,677</u>	<u>-</u>
Total current assets	<u>84,591,735</u>	<u>94</u>	<u>53,057,047</u>	<u>91</u>	<u>43,865,333</u>	<u>91</u>
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income (Notes 7 and 9)	2,365,145	3	2,139,422	4	1,855,405	4
Financial assets at amortized cost (Notes 8, 9 and 28)	467,633	1	-	-	81,860	-
Investments accounted for using the equity method	39,707	-	64,094	-	81,835	-
Property, plant and equipment (Note 13)	1,257,321	2	1,679,804	3	1,585,098	3
Right-of-use assets (Note 14)	273,310	-	295,902	1	183,173	-
Intangible assets (Note 15)	246,313	-	257,420	-	271,237	1
Deferred tax assets	285,679	-	439,688	1	225,108	1
Other non-current assets	<u>106,671</u>	<u>-</u>	<u>105,355</u>	<u>-</u>	<u>98,031</u>	<u>-</u>
Total non-current assets	<u>5,041,779</u>	<u>6</u>	<u>4,981,685</u>	<u>9</u>	<u>4,381,747</u>	<u>9</u>
TOTAL	<u>\$ 89,633,514</u>	<u>100</u>	<u>\$ 58,038,732</u>	<u>100</u>	<u>\$ 48,247,080</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Contract liabilities (Notes 20 and 27)	\$ 15,296,768	17	\$ 12,020,884	21	\$ 7,152,532	15
Trade payables	7,783,783	9	1,986,493	3	894,693	2
Other payables (Note 17)	5,208,488	6	2,052,031	4	4,180,905	9
Current tax liabilities	581,789	1	757,613	1	652,103	1
Lease liabilities (Note 14)	100,360	-	115,478	-	61,069	-
Other current liabilities	<u>102,876</u>	<u>-</u>	<u>42,226</u>	<u>-</u>	<u>17,941</u>	<u>-</u>
Total current liabilities	<u>29,074,064</u>	<u>33</u>	<u>16,974,725</u>	<u>29</u>	<u>12,959,243</u>	<u>27</u>
NON-CURRENT LIABILITIES						
Deferred tax liabilities	3,439	-	7,650	-	1,741	-
Lease liabilities (Note 14)	189,432	-	209,762	1	125,541	-
Deferred revenue	<u>23,382</u>	<u>-</u>	<u>22,358</u>	<u>-</u>	<u>20,465</u>	<u>-</u>
Total non-current liabilities	<u>216,253</u>	<u>-</u>	<u>239,770</u>	<u>1</u>	<u>147,747</u>	<u>-</u>
Total liabilities	<u>29,290,317</u>	<u>33</u>	<u>17,214,495</u>	<u>30</u>	<u>13,106,990</u>	<u>27</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 18 and 19)						
Share capital	862,047	1	812,836	1	809,434	2
Capital surplus	<u>44,323,342</u>	<u>49</u>	<u>25,754,605</u>	<u>44</u>	<u>25,540,122</u>	<u>53</u>
Retained earnings						
Special reserve	67,693	-	67,693	-	67,693	-
Unappropriated earnings	<u>13,625,567</u>	<u>15</u>	<u>13,337,144</u>	<u>23</u>	<u>10,525,844</u>	<u>22</u>
Total retained earnings	<u>13,693,260</u>	<u>15</u>	<u>13,404,837</u>	<u>23</u>	<u>10,593,537</u>	<u>22</u>
Other equity	<u>1,446,858</u>	<u>2</u>	<u>832,866</u>	<u>2</u>	<u>(1,820,455)</u>	<u>(4)</u>
Total equity attributable to owners of the Company	60,325,507	67	40,805,144	70	35,122,638	73
NON-CONTROLLING INTERESTS	<u>17,690</u>	<u>-</u>	<u>19,093</u>	<u>-</u>	<u>17,452</u>	<u>-</u>
Total equity	<u>60,343,197</u>	<u>67</u>	<u>40,824,237</u>	<u>70</u>	<u>35,140,090</u>	<u>73</u>
TOTAL	<u>\$ 89,633,514</u>	<u>100</u>	<u>\$ 58,038,732</u>	<u>100</u>	<u>\$ 48,247,080</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)

	June 30, 2026		December 31, 2025		June 30, 2025	
ASSETS	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 1,237,213	44	\$ 1,038,094	56	\$ 1,059,702	64
Financial assets at fair value through other comprehensive income (Notes 7 and 9)	6,610	-	5,183	-	5,632	-
Financial assets at amortized cost (Notes 8, 9 and 28)	422,958	15	193,811	10	152,987	9
Trade receivables, net (Note 10)	165,465	6	83,857	5	66,609	4
Trade receivables due from related parties (Notes 10 and 27)	-	-	11,934	1	-	-
Other receivables	8,866	-	7,726	-	7,386	1
Inventories (Note 11)	762,403	27	220,982	12	56,906	4
Prepayments (Notes 16 and 29)	38,783	1	115,523	6	146,703	9
Other current assets	13,644	1	10,993	1	1,184	-
Total current assets	2,655,942	94	1,688,103	91	1,497,109	91
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income (Notes 7 and 9)	74,259	3	68,069	4	63,324	4
Financial assets at amortized cost (Notes 8, 9 and 28)	14,682	1	-	-	2,794	-
Investments accounted for using the equity method	1,247	-	2,039	-	2,793	-
Property, plant and equipment (Note 13)	39,476	2	53,446	3	54,099	3
Right-of-use assets (Note 14)	8,581	-	9,415	1	6,252	-
Intangible assets (Note 15)	7,734	-	8,190	-	9,257	1
Deferred tax assets	8,970	-	13,989	1	7,683	1
Other non-current assets	3,349	-	3,353	-	3,346	-
Total non-current assets	158,298	6	158,501	9	149,548	9
TOTAL	\$ 2,814,240	100	\$ 1,846,604	100	\$ 1,646,657	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Contract liabilities (Notes 20 and 27)	\$ 480,275	17	\$ 382,465	21	\$ 244,114	15
Trade payables	244,389	9	63,204	3	30,536	2
Other payables (Note 17)	163,532	6	65,289	4	142,693	9
Current tax liabilities	18,267	1	24,105	1	22,256	1
Lease liabilities (Note 14)	3,151	-	3,674	-	2,084	-
Other current liabilities	3,230	-	1,343	-	612	-
Total current liabilities	912,844	33	540,080	29	442,295	27
NON-CURRENT LIABILITIES						
Deferred tax liabilities	108	-	243	-	59	-
Lease liabilities (Note 14)	5,948	-	6,674	1	4,285	-
Deferred revenue	734	-	712	-	698	-
Total non-current liabilities	6,790	-	7,629	1	5,042	-
Total liabilities	919,634	33	547,709	30	447,337	27
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 18 and 19)						
Share capital	27,565	1	26,018	1	25,908	2
Capital surplus	1,427,289	51	843,403	46	836,464	51
Retained earnings						
Special reserve	2,799	-	2,799	-	2,799	-
Unappropriated earnings	436,503	15	427,782	23	335,712	20
Total retained earnings	439,302	15	430,581	23	338,511	20
Other equity	(122)	-	(1,724)	-	(2,129)	-
Total equity attributable to owners of the Company	1,894,034	67	1,298,278	70	1,198,754	73
NON-CONTROLLING INTERESTS	572	-	617	-	566	-
Total equity	1,894,606	67	1,298,895	70	1,199,320	73
TOTAL	\$ 2,814,240	100	\$ 1,846,604	100	\$ 1,646,657	100

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

ALCHIP TECHNOLOGIES, LIMITED AND SUBSIDIARIES

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

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2026		2025		2026		2025	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Notes 20 and 27)	\$ 7,639,767	100	\$ 9,143,997	100	\$ 11,826,622	100	\$ 19,628,852	100
OPERATING COSTS (Notes 11 and 21)	<u>4,977,746</u>	<u>65</u>	<u>7,256,782</u>	<u>80</u>	<u>7,063,749</u>	<u>60</u>	<u>15,312,889</u>	<u>78</u>
GROSS PROFIT	<u>2,662,021</u>	<u>35</u>	<u>1,887,215</u>	<u>20</u>	<u>4,762,873</u>	<u>40</u>	<u>4,315,963</u>	<u>22</u>
OPERATING EXPENSES (Notes 10, 21 and 27)								
Selling and marketing expenses	65,959	1	85,814	1	127,398	1	146,926	1
General and administrative expenses	211,615	3	165,115	2	373,372	3	352,659	2
Research and development expenses	742,118	10	494,041	5	1,249,942	11	960,719	5
Expected credit (gain) loss	<u>(4,352)</u>	<u>-</u>	<u>(7,851)</u>	<u>-</u>	<u>(2,129)</u>	<u>-</u>	<u>211,103</u>	<u>1</u>
Total operating expenses	<u>1,015,340</u>	<u>14</u>	<u>737,119</u>	<u>8</u>	<u>1,748,583</u>	<u>15</u>	<u>1,671,407</u>	<u>9</u>
PROFIT FROM OPERATIONS	<u>1,646,681</u>	<u>21</u>	<u>1,150,096</u>	<u>12</u>	<u>3,014,290</u>	<u>25</u>	<u>2,644,556</u>	<u>13</u>
NON-OPERATING INCOME AND EXPENSES (Notes 9 and 21)								
Interest income	376,949	5	411,411	5	746,410	6	741,823	4
Other income	14,210	-	12,599	-	40,912	-	28,253	-
Other gains and losses	24,166	-	31,472	-	43,369	1	3,884	-
Finance costs	(2,828)	-	(1,815)	-	(5,981)	-	(3,691)	-
Expected credit (loss) gain	(95)	-	(586)	-	124	-	(589)	-
Share of loss of associates by the equity method	<u>(24,169)</u>	<u>-</u>	<u>(3,730)</u>	<u>-</u>	<u>(20,172)</u>	<u>-</u>	<u>(21,610)</u>	<u>-</u>
Total non-operating income and expenses	<u>388,233</u>	<u>5</u>	<u>449,351</u>	<u>5</u>	<u>804,662</u>	<u>7</u>	<u>748,070</u>	<u>4</u>
PROFIT BEFORE INCOME TAX	2,034,914	26	1,599,447	17	3,818,952	32	3,392,626	17
INCOME TAX EXPENSE (Note 22)	<u>396,973</u>	<u>5</u>	<u>277,422</u>	<u>3</u>	<u>753,895</u>	<u>6</u>	<u>609,258</u>	<u>3</u>
NET PROFIT FOR THE PERIOD	<u>1,637,941</u>	<u>21</u>	<u>1,322,025</u>	<u>14</u>	<u>3,065,057</u>	<u>26</u>	<u>2,783,368</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	18,681	-	(675)	-	76,715	-	(5,548)	-
Exchange differences on translation to the presentation currency	(188,012)	(2)	(4,900,101)	(53)	563,367	5	(4,379,425)	(22)

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ALCHIP TECHNOLOGIES, LIMITED AND SUBSIDIARIES

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

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2026		2025		2026		2025	
	Amount	%	Amount	%	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translation of the financial statements of foreign operations	\$ (186)	-	\$ 3,155	-	\$ (1,243)	-	\$ 9,913	-
Unrealized (loss) gain on investments in debt instruments at fair value through other comprehensive income	(4,700)	-	4,029	-	(24,847)	-	8,092	-
Other comprehensive (loss) income for the period, net of income tax	(174,217)	(2)	(4,893,592)	(53)	613,992	5	(4,366,968)	(22)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	<u>\$ 1,463,724</u>	<u>19</u>	<u>\$ (3,571,567)</u>	<u>(39)</u>	<u>\$ 3,679,049</u>	<u>31</u>	<u>\$ (1,583,600)</u>	<u>(8)</u>
NET PROFIT (LOSS) ATTRIBUTABLE TO								
Owners of the Company	\$ 1,638,567	21	\$ 1,323,522	14	\$ 3,066,460	26	\$ 2,787,040	14
Non-controlling interests	(626)	-	(1,497)	-	(1,403)	-	(3,672)	-
	<u>\$ 1,637,941</u>	<u>21</u>	<u>\$ 1,322,025</u>	<u>14</u>	<u>\$ 3,065,057</u>	<u>26</u>	<u>\$ 2,783,368</u>	<u>14</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO								
Owners of the Company	\$ 1,464,350	19	\$ (3,570,070)	(39)	\$ 3,680,452	31	\$ (1,579,928)	(8)
Non-controlling interests	(626)	-	(1,497)	-	(1,403)	-	(3,672)	-
	<u>\$ 1,463,724</u>	<u>19</u>	<u>\$ (3,571,567)</u>	<u>(39)</u>	<u>\$ 3,679,049</u>	<u>31</u>	<u>\$ (1,583,600)</u>	<u>(8)</u>
EARNINGS PER SHARE (Note 23)								
Basic	<u>\$ 20.01</u>		<u>\$ 16.37</u>		<u>\$ 37.57</u>		<u>\$ 34.49</u>	
Diluted	<u>\$ 18.72</u>		<u>\$ 16.02</u>		<u>\$ 35.05</u>		<u>\$ 33.71</u>	

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

(Concluded)

ALCHIP TECHNOLOGIES, LIMITED AND SUBSIDIARIES

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

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2026		2025		2026		2025	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Notes 20 and 27)	\$ 241,728	100	\$ 297,379	100	\$ 374,094	100	\$ 616,116	100
OPERATING COSTS (Notes 11 and 21)	<u>157,490</u>	<u>65</u>	<u>235,742</u>	<u>79</u>	<u>223,438</u>	<u>60</u>	<u>480,646</u>	<u>78</u>
GROSS PROFIT	<u>84,238</u>	<u>35</u>	<u>61,637</u>	<u>21</u>	<u>150,656</u>	<u>40</u>	<u>135,470</u>	<u>22</u>
OPERATING EXPENSES (Notes 10, 21 and 27)								
Selling and marketing expenses	2,088	1	2,754	1	4,030	1	4,612	1
General and administrative expenses	6,696	3	5,368	2	11,810	3	11,069	2
Research and development expenses	23,483	10	15,969	5	39,538	11	30,156	5
Expected credit (gain) loss	<u>(137)</u>	<u>-</u>	<u>(30)</u>	<u>-</u>	<u>(67)</u>	<u>-</u>	<u>6,626</u>	<u>1</u>
Total operating expenses	<u>32,130</u>	<u>14</u>	<u>24,061</u>	<u>8</u>	<u>55,311</u>	<u>15</u>	<u>52,463</u>	<u>9</u>
PROFIT FROM OPERATIONS	<u>52,108</u>	<u>21</u>	<u>37,576</u>	<u>13</u>	<u>95,345</u>	<u>25</u>	<u>83,007</u>	<u>13</u>
NON-OPERATING INCOME AND EXPENSES (Notes 9 and 21)								
Interest income	11,930	5	13,240	5	23,610	6	23,285	4
Other income	449	-	411	-	1,294	-	887	-
Other gains and losses	765	-	961	-	1,372	1	122	-
Finance costs	(89)	-	(59)	-	(189)	-	(116)	-
Expected credit (loss) gain	(3)	-	(19)	-	4	-	(19)	-
Share of loss of associates by the equity method	<u>(764)</u>	<u>-</u>	<u>(134)</u>	<u>-</u>	<u>(638)</u>	<u>-</u>	<u>(678)</u>	<u>-</u>
Total non-operating income and expenses	<u>12,288</u>	<u>5</u>	<u>14,400</u>	<u>5</u>	<u>25,453</u>	<u>7</u>	<u>23,481</u>	<u>4</u>
PROFIT BEFORE INCOME TAX	64,396	26	51,976	18	120,798	32	106,488	17
INCOME TAX EXPENSE (Note 22)	<u>12,563</u>	<u>5</u>	<u>9,036</u>	<u>3</u>	<u>23,847</u>	<u>6</u>	<u>19,124</u>	<u>3</u>
NET PROFIT FOR THE PERIOD	<u>51,833</u>	<u>21</u>	<u>42,940</u>	<u>15</u>	<u>96,951</u>	<u>26</u>	<u>87,364</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	592	-	(26)	-	2,427	-	(174)	-

(Continued)

ALCHIP TECHNOLOGIES, LIMITED AND SUBSIDIARIES

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

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2026		2025		2026		2025	
	Amount	%	Amount	%	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translation of the financial statements of foreign operations	\$ (5)	-	\$ 107	-	\$ (39)	-	\$ 312	-
Unrealized (loss) gain on investments in debt instruments at fair value through other comprehensive income	(149)	-	131	-	(786)	-	254	-
Other comprehensive income for the period, net of income tax	438	-	212	-	1,602	-	392	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 52,271</u>	<u>21</u>	<u>\$ 43,152</u>	<u>15</u>	<u>\$ 98,553</u>	<u>26</u>	<u>\$ 87,756</u>	<u>14</u>
NET PROFIT (LOSS) ATTRIBUTABLE TO								
Owners of the Company	\$ 51,853	21	\$ 42,989	14	\$ 96,996	26	\$ 87,480	14
Non-controlling interests	(20)	-	(49)	-	(45)	-	(116)	-
	<u>\$ 51,833</u>	<u>21</u>	<u>\$ 42,940</u>	<u>14</u>	<u>\$ 96,951</u>	<u>26</u>	<u>\$ 87,364</u>	<u>14</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO								
Owners of the Company	\$ 52,291	21	\$ 43,201	15	\$ 98,598	26	\$ 87,872	14
Non-controlling interests	(20)	-	(49)	-	(45)	-	(116)	-
	<u>\$ 52,271</u>	<u>21</u>	<u>\$ 43,152</u>	<u>15</u>	<u>\$ 98,553</u>	<u>26</u>	<u>\$ 87,756</u>	<u>14</u>
EARNINGS PER SHARE (Note 23)								
Basic	<u>\$ 0.63</u>		<u>\$ 0.53</u>		<u>\$ 1.19</u>		<u>\$ 1.08</u>	
Diluted	<u>\$ 0.59</u>		<u>\$ 0.52</u>		<u>\$ 1.11</u>		<u>\$ 1.06</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		Non-controlling Interests	Total Equity
	Share Capital	Share Premium	Capital Surplus			Special Reserve	Retained Earnings		Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Valuation (Loss) Gain on Financial Assets at Fair Value Through Other Comprehensive Income	Total		
			Share Options	Other	Total		Unappropriated Earnings	Total					
BALANCE ON JANUARY 1, 2025	\$ 806,485	\$ 24,512,204	\$ 818,578	\$ 19,695	\$ 25,350,477	\$ 67,693	\$ 10,684,554	\$ 10,752,247	\$ 2,592,518	\$ (46,005)	\$ 39,455,722	\$ 21,124	\$ 39,476,846
Appropriation of 2024 earnings													
Cash dividends	-	-	-	-	-	-	(2,945,750)	(2,945,750)	-	-	(2,945,750)	-	(2,945,750)
Share-based payments	-	-	44,426	-	44,426	-	-	-	-	-	44,426	-	44,426
Issuance of ordinary shares under employee share options	2,949	243,349	(93,115)	-	150,234	-	-	-	-	-	153,183	-	153,183
Net profit (loss) for the six months ended June 30, 2025	-	-	-	-	-	-	2,787,040	2,787,040	-	-	2,787,040	(3,672)	2,783,368
Other comprehensive (loss) income for the six months ended June 30, 2025, net of income tax	-	-	-	-	-	-	-	-	(4,369,512)	2,544	(4,366,968)	-	(4,366,968)
Total comprehensive income (loss) for the six months ended June 30, 2025	-	-	-	-	-	-	2,787,040	2,787,040	(4,369,512)	2,544	(1,579,928)	(3,672)	(1,583,600)
Changes in capital surplus from investments in associates accounted for using the equity method	-	-	-	(5,015)	(5,015)	-	-	-	-	-	(5,015)	-	(5,015)
BALANCE ON JUNE 30, 2025	<u>\$ 809,434</u>	<u>\$ 24,755,553</u>	<u>\$ 769,889</u>	<u>\$ 14,680</u>	<u>\$ 25,540,122</u>	<u>\$ 67,693</u>	<u>\$ 10,525,844</u>	<u>\$ 10,593,537</u>	<u>\$ (1,776,994)</u>	<u>\$ (43,461)</u>	<u>\$ 35,122,638</u>	<u>\$ 17,452</u>	<u>\$ 35,140,090</u>
BALANCE ON 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
Appropriation of 2025 earnings													
Cash dividends	-	-	-	-	-	-	(2,778,037)	(2,778,037)	-	-	(2,778,037)	-	(2,778,037)
Issuance of ordinary shares in the form of sponsored Global Depositary Receipts	40,000	16,015,553	-	-	16,015,553	-	-	-	-	-	16,055,553	-	16,055,553
Issuance of ordinary shares by private placement	5,573	2,356,927	-	-	2,356,927	-	-	-	-	-	2,362,500	-	2,362,500
Share-based payments	-	-	38,425	-	38,425	-	-	-	-	-	38,425	-	38,425
Issuance of ordinary shares under employee share options	3,638	269,806	(107,044)	-	162,762	-	-	-	-	-	166,400	-	166,400
Net profit (loss) for the six months ended June 30, 2026	-	-	-	-	-	-	3,066,460	3,066,460	-	-	3,066,460	(1,403)	3,065,057
Other comprehensive income for the six months ended June 30, 2026, net of income tax	-	-	-	-	-	-	-	-	562,124	51,868	613,992	-	613,992
Total comprehensive income (loss) for the six months ended June 30, 2026	-	-	-	-	-	-	3,066,460	3,066,460	562,124	51,868	3,680,452	(1,403)	3,679,049
Changes in capital surplus from investments in associates accounted for using the equity method	-	-	-	(4,930)	(4,930)	-	-	-	-	-	(4,930)	-	(4,930)
BALANCE ON JUNE 30, 2026	<u>\$ 862,047</u>	<u>\$ 43,685,845</u>	<u>\$ 624,629</u>	<u>\$ 12,868</u>	<u>\$ 44,323,342</u>	<u>\$ 67,693</u>	<u>\$ 13,625,567</u>	<u>\$ 13,693,260</u>	<u>\$ 1,416,912</u>	<u>\$ 29,946</u>	<u>\$ 60,325,507</u>	<u>\$ 17,690</u>	<u>\$ 60,343,197</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		Non-controlling Interests	Total Equity
	Share Capital	Share Premium	Capital Surplus			Special Reserve	Retained Earnings		Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Valuation (Loss) Gain on Financial Assets at Fair Value Through Other Comprehensive Income	Total		
			Share Options	Other	Total		Unappropriated Earnings	Total					
BALANCE ON JANUARY 1, 2025	\$ 25,815	\$ 804,334	\$ 25,585	\$ 617	\$ 830,536	\$ 2,799	\$ 346,802	\$ 349,601	\$ (1,293)	\$ (1,228)	\$ 1,203,431	\$ 682	\$ 1,204,113
Appropriation of 2024 earnings													
Cash dividends	-	-	-	-	-	-	(98,570)	(98,570)	-	-	(98,570)	-	(98,570)
Share-based payments	-	-	1,394	-	1,394	-	-	-	-	-	1,394	-	1,394
Issuance of ordinary shares under employee share options	93	7,729	(3,038)	-	4,691	-	-	-	-	-	4,784	-	4,784
Net profit (loss) for the six months ended June 30, 2025	-	-	-	-	-	-	87,480	87,480	-	-	87,480	(116)	87,364
Other comprehensive income for the six months ended June 30, 2025, net of income tax	-	-	-	-	-	-	-	-	312	80	392	-	392
Total comprehensive income (loss) for the six months ended June 30, 2025	-	-	-	-	-	-	87,480	87,480	312	80	87,872	(116)	87,756
Changes in capital surplus from investments in associates accounted for using the equity method	-	-	-	(157)	(157)	-	-	-	-	-	(157)	-	(157)
BALANCE ON JUNE 30, 2025	<u>\$ 25,908</u>	<u>\$ 812,063</u>	<u>\$ 23,941</u>	<u>\$ 460</u>	<u>\$ 836,464</u>	<u>\$ 2,799</u>	<u>\$ 335,712</u>	<u>\$ 338,511</u>	<u>\$ (981)</u>	<u>\$ (1,148)</u>	<u>\$ 1,198,754</u>	<u>\$ 566</u>	<u>\$ 1,199,320</u>
BALANCE ON 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
Appropriation of 2025 earnings													
Cash dividends	-	-	-	-	-	-	(88,275)	(88,275)	-	-	(88,275)	-	(88,275)
Issuance of ordinary shares in the form of sponsored Global Depositary Receipts	1,256	502,875	-	-	502,875	-	-	-	-	-	504,131	-	504,131
Issuance of ordinary shares by private placement	177	74,823	-	-	74,823	-	-	-	-	-	75,000	-	75,000
Share-based payments	-	-	1,215	-	1,215	-	-	-	-	-	1,215	-	1,215
Issuance of ordinary shares under employee share options	114	8,496	(3,368)	-	5,128	-	-	-	-	-	5,242	-	5,242
Net profit (loss) for the six months ended June 30, 2026	-	-	-	-	-	-	96,996	96,996	-	-	96,996	(45)	96,951
Other comprehensive (loss) income for the six months ended June 30, 2026, net of income tax	-	-	-	-	-	-	-	-	(39)	1,641	1,602	-	1,602
Total comprehensive income (loss) for the six months ended June 30, 2026	-	-	-	-	-	-	96,996	96,996	(39)	1,641	98,598	(45)	98,553
Changes in capital surplus from investments in associates accounted for using the equity method	-	-	-	(155)	(155)	-	-	-	-	-	(155)	-	(155)
BALANCE ON JUNE 30, 2026	<u>\$ 27,565</u>	<u>\$ 1,407,592</u>	<u>\$ 19,294</u>	<u>\$ 403</u>	<u>\$ 1,427,289</u>	<u>\$ 2,799</u>	<u>\$ 436,503</u>	<u>\$ 439,302</u>	<u>\$ (1,307)</u>	<u>\$ 1,185</u>	<u>\$ 1,894,034</u>	<u>\$ 572</u>	<u>\$ 1,894,606</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 Six Months Ended June 30			
	2026		2025	
	USD	NTD	USD	NTD
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax	\$ 120,798	\$ 3,818,952	\$ 106,488	\$ 3,392,626
Adjustments for:				
Depreciation and amortization	46,112	1,457,799	48,801	1,554,740
Expected credit (gain) loss	(71)	(2,253)	6,645	211,692
Finance costs	189	5,981	116	3,691
Interest income	(23,610)	(746,410)	(23,285)	(741,823)
Share-based compensation	1,215	38,425	1,394	44,426
Share of loss of associates by the equity method	638	20,172	678	21,610
Loss on disposal of equipment	56	1,762	6	202
(Gain) loss on disposal of financial assets	(11)	(345)	2	49
(Reversal) write-down of inventories	(5,714)	(180,643)	5,918	188,540
Net unrealized gain on foreign currency exchange	(1,744)	(54,900)	(300)	(5,265)
Amortization of prepayments	6,404	202,471	4,866	155,033
Net changes in operating assets and liabilities				
Trade receivables	(81,858)	(2,587,848)	101,512	3,234,066
Trade receivables from related parties	11,934	377,283	-	-
Other receivables	(735)	(23,214)	5,847	186,256
Inventories	(535,707)	(16,935,846)	201,337	6,414,396
Prepayments	68,245	2,157,479	(100,334)	(3,196,539)
Other current assets	(2,651)	(83,814)	8,149	259,639
Contract liabilities	97,810	3,092,165	57,628	1,835,970
Trade payables	181,185	5,727,986	(25,169)	(801,874)
Other payables	18,263	577,101	(2,121)	(71,833)
Other payables to related parties	-	-	(1,081)	(34,440)
Other current liabilities	1,887	59,640	(589)	(18,766)
Deferred revenue	<u>22</u>	<u>720</u>	<u>3</u>	<u>92</u>
Net cash (used in) generated from operations	(97,343)	(3,077,337)	396,511	12,632,488
Interest paid	(189)	(5,981)	(116)	(3,691)
Income tax paid	<u>(24,664)</u>	<u>(779,711)</u>	<u>(26,936)</u>	<u>(858,131)</u>
Net cash (used in) generated from operating activities	<u>(122,196)</u>	<u>(3,863,029)</u>	<u>369,459</u>	<u>11,770,666</u>

(Continued)

ALCHIP TECHNOLOGIES, LIMITED AND SUBSIDIARIES

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

	For the Six Months Ended June 30			
	2026		2025	
	USD	NTD	USD	NTD
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of financial assets at fair value through other comprehensive income	\$ (11,766)	\$ (371,956)	\$ (27,600)	\$ (879,308)
Proceeds from sale of financial assets at fair value through other comprehensive income	5,706	180,389	1,400	44,603
Purchase of financial assets at amortized cost	(517,782)	(16,369,162)	(173,689)	(5,533,539)
Proceeds from sale of financial assets at amortized cost	274,417	8,675,416	93,029	2,963,796
Payments for purchase of equipment	(30,399)	(961,052)	(48,143)	(1,533,754)
Proceeds from disposal of equipment	-	3	4	143
Payments for refundable deposits	(11)	(336)	(268)	(8,546)
Increase in refundable deposits	2	74	9	293
Payments for purchase of intangible assets	(5,947)	(187,987)	(6,678)	(212,738)
Interest received	<u>23,160</u>	<u>732,187</u>	<u>22,666</u>	<u>722,110</u>
Net cash used in investing activities	<u>(262,620)</u>	<u>(8,302,424)</u>	<u>(139,270)</u>	<u>(4,436,940)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issuance of ordinary shares in the form of sponsored Global Depositary Receipts	504,131	16,055,553	-	-
Proceeds from issuance of ordinary shares by private placement	75,000	2,362,500	-	-
Repayment of the principal portion of lease liabilities	(2,207)	(69,790)	(827)	(26,348)
Proceeds from exercise of employee share options	<u>5,242</u>	<u>166,400</u>	<u>4,784</u>	<u>153,183</u>
Net cash generated from financing activities	<u>582,166</u>	<u>18,514,663</u>	<u>3,957</u>	<u>126,835</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES				
	<u>1,769</u>	<u>428,712</u>	<u>660</u>	<u>(3,455,498)</u>

(Continued)

ALCHIP TECHNOLOGIES, LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars or U.S. Dollars)

	For the Six Months Ended June 30			
	2026		2025	
	USD	NTD	USD	NTD
NET INCREASE IN CASH AND CASH EQUIVALENTS	\$ 199,119	\$ 6,777,922	\$ 234,806	\$ 4,005,063
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>\$ 1,237,213</u>	<u>\$ 39,405,227</u>	<u>\$ 1,059,702</u>	<u>\$ 31,049,273</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 SIX MONTHS ENDED JUNE 30, 2026 AND 2025

(In Thousands of U.S. Dollars and New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

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

The Company’s shares have been listed on the Taiwan Stock Exchange (TWSE) since October 28, 2014. 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 August 14, 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 endorsed by the FSC for application starting from 2027

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027 (Note 1)
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
Amendments to IAS 28 “Amendments to the Fair Value Option for Investments in Associates and Joint Ventures”	January 1, 2027 (Note 2)

Note 1: IFRS 18 will take effect starting from January 1, 2028 for domestic entities. Earlier application is permitted.

Note 2: An entity shall apply the amendments when it applies IFRS 18.

IFRS 18 “Presentation and Disclosure in Financial Statements” and
consequential amendments and Amendments to IAS 28 “Amendments to the
Fair Value Option for Investments in Associates and Joint Ventures”

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.

At the date of initial application of IFRS 18, an entity that is a venture capital organization, mutual fund, unit trust or similar entity is permitted to change its election from measuring an investment in an associate or joint venture from the equity method to fair value through profit or loss. The amendments to IAS 28 clarify that aforementioned “similar entity” includes the entity that performs the assessments in accordance with the requirements of IFRS 18 and concludes that it has a main business activity of investing in particular types of assets. If eligible, the Group may apply the transition upon initial application.

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.

The Group has decided not to apply IFRS 18 and consequential amendments earlier.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of the application of the amendments on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

- c. 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)</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 20 "Regulatory Assets and Regulatory Liabilities"	January 1, 2029

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

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.

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

	June 30, 2026	December 31, 2025	June 30, 2025
<u>NTD</u>			
Demand deposits	\$ 28,973,881	\$ 24,914,317	\$ 25,275,873
Cash equivalents (time deposits with original maturities of 3 months or less)	10,427,103	7,706,192	5,756,378
Checking accounts	4,132	6,660	16,717
Petty cash	<u>111</u>	<u>136</u>	<u>305</u>
	<u>\$ 39,405,227</u>	<u>\$ 32,627,305</u>	<u>\$ 31,049,273</u>

USD

Demand deposits	\$ 909,699	\$ 792,692	\$ 862,657
Cash equivalents (time deposits with original maturities of 3 months or less)	327,381	245,186	196,464
Checking accounts	130	212	571
Petty cash	<u>3</u>	<u>4</u>	<u>10</u>
	<u>\$ 1,237,213</u>	<u>\$ 1,038,094</u>	<u>\$ 1,059,702</u>

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	June 30, 2026	December 31, 2025	June 30, 2025
<u>NTD</u>			
Investment in debt instruments (a)	\$ 1,836,273	\$ 1,837,535	\$ 1,652,093
Investment in equity instruments (b)	<u>739,391</u>	<u>464,783</u>	<u>368,344</u>
	<u>\$ 2,575,664</u>	<u>\$ 2,302,318</u>	<u>\$ 2,020,437</u>
Current	\$ 210,519	\$ 162,896	\$ 165,032
Non-current	<u>2,365,145</u>	<u>2,139,422</u>	<u>1,855,405</u>
	<u>\$ 2,575,664</u>	<u>\$ 2,302,318</u>	<u>\$ 2,020,437</u>

(Continued)

	June 30, 2026	December 31, 2025	June 30, 2025
<u>USD</u>			
Investment in debt instruments (a)	\$ 57,653	\$ 58,464	\$ 56,386
Investment in equity instruments (b)	<u>23,216</u>	<u>14,788</u>	<u>12,570</u>
	<u>\$ 80,869</u>	<u>\$ 73,252</u>	<u>\$ 68,956</u>
Current	\$ 6,610	\$ 5,183	\$ 5,632
Non-current	<u>74,259</u>	<u>68,069</u>	<u>63,324</u>
	<u>\$ 80,869</u>	<u>\$ 73,252</u>	<u>\$ 68,956</u>
			(Concluded)

a. Investments in debt instruments

The Group's investment in debt instruments primarily consists of investments in overseas corporate bonds. For detailed information of the bonds, 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

	June 30, 2026	December 31, 2025	June 30, 2025
<u>NTD</u>			
<u>Non-current</u>			
Domestic investments			
Unlisted shares	\$ 31,850	\$ 31,430	\$ -
Foreign investments			
Equity investment fund	580,143	433,353	368,344
Unlisted shares	<u>127,398</u>	<u>-</u>	<u>-</u>
	<u>\$ 739,391</u>	<u>\$ 464,783</u>	<u>\$ 368,344</u>
<u>USD</u>			
<u>Non-current</u>			
Domestic investments			
Unlisted shares	\$ 1,000	\$ 1,000	\$ -
Foreign investments			
Equity investment fund	18,216	13,788	12,570
Unlisted shares	<u>4,000</u>	<u>-</u>	<u>-</u>
	<u>\$ 23,216</u>	<u>\$ 14,788</u>	<u>\$ 12,570</u>

The Group made investments for medium to long-term strategic purposes and expects to generate returns through long-term investments. Accordingly, the 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

	June 30, 2026	December 31, 2025	June 30, 2025
<u>NTD</u>			
Time deposits with original maturities of more than 3 months	\$ 2,760,833	\$ 6,061,133	\$ 4,534,107
Pledged time deposits (Note 28)	<u>11,178,011</u>	<u>30,349</u>	<u>30,281</u>
	<u>\$ 13,938,844</u>	<u>\$ 6,091,482</u>	<u>\$ 4,564,388</u>
Current	\$ 13,471,211	\$ 6,091,482	\$ 4,482,528
Non-current	<u>467,633</u>	<u>-</u>	<u>81,860</u>
	<u>\$ 13,938,844</u>	<u>\$ 6,091,482</u>	<u>\$ 4,564,388</u>
<u>USD</u>			
Time deposits with original maturities of more than 3 months	\$ 86,682	\$ 192,845	\$ 154,748
Pledged time deposits (Note 28)	<u>350,958</u>	<u>966</u>	<u>1,033</u>
	<u>\$ 437,640</u>	<u>\$ 193,811</u>	<u>\$ 155,781</u>
Current	\$ 422,958	\$ 193,811	\$ 152,987
Non-current	<u>14,682</u>	<u>-</u>	<u>2,794</u>
	<u>\$ 437,640</u>	<u>\$ 193,811</u>	<u>\$ 155,781</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:

June 30, 2026

	At FVTOCI		At Amortized Cost	
	NTD	USD	NTD	USD
Gross carrying amount	\$ 1,839,147	\$ 57,744	\$ 13,938,844	\$ 437,640
Less: Allowance for impairment loss	<u>(1,058)</u>	<u>(33)</u>	<u>-</u>	<u>-</u>
Amortized cost	1,838,089	57,711	<u>\$ 13,938,844</u>	<u>\$ 437,640</u>
Adjustment to fair value	<u>(1,816)</u>	<u>(58)</u>		
	<u>\$ 1,836,273</u>	<u>\$ 57,653</u>		

December 31, 2025

	At FVTOCI		At Amortized Cost	
	NTD	USD	NTD	USD
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>		

June 30, 2025

	At FVTOCI		At Amortized Cost	
	NTD	USD	NTD	USD
Gross carrying amount	\$ 1,645,569	\$ 56,163	\$ 4,564,388	\$ 155,781
Less: Allowance for impairment loss	<u>(1,178)</u>	<u>(39)</u>	<u>-</u>	<u>-</u>
Amortized cost	1,644,391	56,124	<u>\$ 4,564,388</u>	<u>\$ 155,781</u>
Adjustment to fair value	<u>7,702</u>	<u>262</u>		
	<u>\$ 1,652,093</u>	<u>\$ 56,386</u>		

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

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

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

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

June 30, 2026

Category	Expected Loss Rate	Total Carrying Amount			
		At FVTOCI		At Amortized Cost	
		NTD	USD	NTD	USD
Performing	0.00%-0.14%	\$ 1,839,147	\$ 57,744	\$ 13,938,844	\$ 437,640
Doubtful	-	-	-	-	-
In default	-	-	-	-	-
Write-off	-	-	-	-	-

December 31, 2025

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

June 30, 2025

Category	Expected Loss Rate	Total Carrying Amount			
		At FVTOCI		At Amortized Cost	
		NTD	USD	NTD	USD
Performing	0.06%-0.12%	\$ 1,645,569	\$ 56,163	\$ 4,564,388	\$ 155,781
Doubtful	-	-	-	-	-
In default	-	-	-	-	-
Write-off	-	-	-	-	-

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

	Credit Rating		
	Performing	Doubtful	In Default
<u>NTD</u>			
Balance on January 1, 2026	\$ 1,271	\$ -	\$ -
New debt instruments purchased	83	-	-
Derecognition	(103)	-	-
Change in model/risk parameters	(183)	-	-
Change in exchange rates or others	<u>(10)</u>	<u>-</u>	<u>-</u>
Balance on June 30, 2026	<u>\$ 1,058</u>	<u>\$ -</u>	<u>\$ -</u>
Balance on January 1, 2025	\$ 741	\$ -	\$ -
New debt instruments purchased	1,799	-	-
Derecognition	(28)	-	-
Change in exchange rates or others	<u>(1,334)</u>	<u>-</u>	<u>-</u>
Balance on June 30, 2025	<u>\$ 1,178</u>	<u>\$ -</u>	<u>\$ -</u>
<u>USD</u>			
Balance on January 1, 2026	\$ 40	\$ -	\$ -
New debt instruments purchased	3	-	-
Derecognition	(3)	-	-
Change in model/risk parameters	(6)	-	-
Change in others	<u>(1)</u>	<u>-</u>	<u>-</u>
Balance on June 30, 2026	<u>\$ 33</u>	<u>\$ -</u>	<u>\$ -</u>
Balance on January 1, 2025	\$ 22	\$ -	\$ -
New debt instruments purchased	56	-	-
Derecognition	(2)	-	-
Change in others	<u>(37)</u>	<u>-</u>	<u>-</u>
Balance on June 30, 2025	<u>\$ 39</u>	<u>\$ -</u>	<u>\$ -</u>

10. TRADE RECEIVABLES

	June 30, 2026	December 31, 2025	June 30, 2025
<u>NTD</u>			
At amortized cost			
Gross carrying amount	\$ 6,452,607	\$ 3,804,685	\$ 2,881,463
Less: Allowance for impairment loss	<u>(1,182,540)</u>	<u>(1,169,062)</u>	<u>(929,819)</u>
	<u>\$ 5,270,067</u>	<u>\$ 2,635,623</u>	<u>\$ 1,951,644</u>
			(Continued)

	June 30, 2026	December 31, 2025	June 30, 2025
<u>USD</u>			
At amortized cost			
Gross carrying amount	\$ 202,593	\$ 121,052	\$ 98,343
Less: Allowance for impairment loss	<u>(37,128)</u>	<u>(37,195)</u>	<u>(31,734)</u>
	<u>\$ 165,465</u>	<u>\$ 83,857</u>	<u>\$ 66,609</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:

	June 30, 2026	December 31, 2025	June 30, 2025
<u>NTD</u>			
Past due within 60 days	\$ 4,858,209	\$ 2,355,498	\$ 1,486,334
Past due 61-120 days	23,888	93,881	45,732
Past due over 121 days	<u>1,570,510</u>	<u>1,355,306</u>	<u>1,349,397</u>
	<u>\$ 6,452,607</u>	<u>\$ 3,804,685</u>	<u>\$ 2,881,463</u>

<u>USD</u>			
Past due within 60 days	\$ 152,533	\$ 74,944	\$ 50,728
Past due 61-120 days	750	2,987	1,561
Past due over 121 days	<u>49,310</u>	<u>43,121</u>	<u>46,054</u>
	<u>\$ 202,593</u>	<u>\$ 121,052</u>	<u>\$ 98,343</u>

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

	For the Six Months Ended June 30	
	2026	2025
<u>NTD</u>		
Balance on January 1	\$ 1,169,062	\$ 823,174
Net remeasurement of loss allowance	(2,129)	211,103
Foreign exchange gains and losses	<u>15,607</u>	<u>(104,458)</u>
Balance on June 30	<u>\$ 1,182,540</u>	<u>\$ 929,819</u>
<u>USD</u>		
Balance on January 1	\$ 37,195	\$ 25,108
Net remeasurement of loss allowance	<u>(67)</u>	<u>6,626</u>
Balance on June 30	<u>\$ 37,128</u>	<u>\$ 31,734</u>

11. INVENTORIES

	June 30, 2026	December 31, 2025	June 30, 2025
<u>NTD</u>			
Finished goods	\$ 2,804,715	\$ 356,754	\$ 240,271
Work in progress	21,089,359	6,588,172	1,383,705
Raw materials	<u>388,452</u>	<u>524</u>	<u>43,377</u>
	<u>\$ 24,282,526</u>	<u>\$ 6,945,450</u>	<u>\$ 1,667,353</u>
<u>USD</u>			
Finished goods	\$ 88,060	\$ 11,351	\$ 8,200
Work in progress	662,147	209,614	47,226
Raw materials	<u>12,196</u>	<u>17</u>	<u>1,480</u>
	<u>\$ 762,403</u>	<u>\$ 220,982</u>	<u>\$ 56,906</u>

The cost of integrated circuit recognized as cost of goods sold for the three months ended June 30, 2026 and 2025 were NT\$4,576,509 thousand (US\$144,789 thousand) and NT\$6,147,746 thousand (US\$200,402 thousand), respectively, and for the six months ended June 30, 2026 and 2025 were NT\$6,151,408 thousand (US\$194,579 thousand) and NT\$13,668,717 thousand (US\$429,038 thousand), respectively.

The cost of goods sold for the three months ended June 30, 2026 and 2025 included a reversal of inventory write-down of NT\$27,255 thousand (US\$865 thousand) and a write-down of inventory of NT\$84,584 thousand (US\$2,758 thousand), respectively, and for the six months ended June 30, 2026 and 2025 included a reversal of inventory write-down of NT\$180,643 thousand (US\$5,714 thousand) and a write-down of inventory of NT\$188,540 thousand (US\$5,918 thousand), respectively. The reversal of inventory write-down recognized as of the second quarter of 2026 was attributable to 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
			June 30, 2026	December 31, 2025	June 30, 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 BVT")	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 Islands) (referred to as "AshAI Cayman")	Investments	98	-	-	Note
	Alchip HK	Alchip Technologies (Shanghai) (registered in China) (referred to as "Alchip Shanghai")	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 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	-
	Alchip Guangzhou	Chiptopia (Shanghai) Technology Co., Ltd (registered in China) (referred to as "Chiptopia Shanghai")	65	65	65	-
	Alchip Shanghai	Alchip Technologies (Chongqing) (registered in China) (referred to as "Alchip Chongqing")	100	100	100	-
	AshAI Cayman	AshAI, Inc. (registered in the U.S.A.) (referred to as "AshAI USA")	100	-	-	Note

Note: Both companies were established in March 2026 and commenced operations in June 2026 upon completion of capital injection.

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

13. PROPERTY, PLANT AND EQUIPMENT

	June 30, 2026	December 31, 2025	June 30, 2025
<u>NTD</u>			
Machinery equipment	\$ 1,169,116	\$ 1,593,274	\$ 1,527,433
Computer equipment	44,073	44,333	49,159
Leasehold improvements	29,788	26,641	542
Office equipment	13,242	14,135	6,328
Transportation equipment	1,102	1,421	1,636
	<u>\$ 1,257,321</u>	<u>\$ 1,679,804</u>	<u>\$ 1,585,098</u>

(Continued)

	June 30, 2026	December 31, 2025	June 30, 2025
<u>USD</u>			
Machinery equipment	\$ 36,706	\$ 50,691	\$ 52,131
Computer equipment	1,384	1,411	1,678
Leasehold improvements	935	847	18
Office equipment	416	452	216
Transportation equipment	<u>35</u>	<u>45</u>	<u>56</u>
	<u>\$ 39,476</u>	<u>\$ 53,446</u>	<u>\$ 54,099</u>
			(Concluded)

The Group acquired additional machinery equipment of NT\$696,439 thousand (US\$22,029 thousand) and NT\$1,357,179 thousand (US\$42,600 thousand) for the six months ended June 30, 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	1-6 years
Transportation equipment	3 years

14. LEASE ARRANGEMENTS

a. Right-of-use assets

	June 30, 2026	December 31, 2025	June 30, 2025
<u>NTD</u>			
Buildings	\$ 189,238	\$ 193,027	\$ 66,694
Machinery equipment	<u>84,072</u>	<u>102,875</u>	<u>116,479</u>
	<u>\$ 273,310</u>	<u>\$ 295,902</u>	<u>\$ 183,173</u>
<u>USD</u>			
Buildings	\$ 5,942	\$ 6,141	\$ 2,276
Machinery equipment	<u>2,639</u>	<u>3,274</u>	<u>3,976</u>
	<u>\$ 8,581</u>	<u>\$ 9,415</u>	<u>\$ 6,252</u>

	For the Six Months Ended June 30	
	2026	2025
<u>NTD</u>		
Additions to right-of-use assets	<u>\$ 23,536</u>	<u>\$ 18,226</u>

<u>USD</u>		
Additions to right-of-use assets	<u>\$ 750</u>	<u>\$ 549</u>

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
<u>NTD</u>				
Depreciation charge for right-of-use assets				
Buildings	\$ 14,568	\$ 12,675	\$ 29,315	\$ 25,775
Machinery equipment	<u>10,009</u>	<u>9,935</u>	<u>20,028</u>	<u>20,538</u>
	<u>\$ 24,577</u>	<u>\$ 22,610</u>	<u>\$ 49,343</u>	<u>\$ 46,313</u>

<u>USD</u>				
Depreciation charge for right-of-use assets				
Buildings	\$ 461	\$ 411	\$ 927	\$ 809
Machinery equipment	<u>317</u>	<u>322</u>	<u>634</u>	<u>645</u>
	<u>\$ 778</u>	<u>\$ 733</u>	<u>\$ 1,561</u>	<u>\$ 1,454</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 six months ended June 30, 2026 and 2025.

b. Lease liabilities

	June 30, 2026	December 31, 2025	June 30, 2025
<u>NTD</u>			
Current	<u>\$ 100,360</u>	<u>\$ 115,478</u>	<u>\$ 61,069</u>
Non-current	<u>\$ 189,432</u>	<u>\$ 209,762</u>	<u>\$ 125,541</u>
<u>USD</u>			
Current	<u>\$ 3,151</u>	<u>\$ 3,674</u>	<u>\$ 2,084</u>
Non-current	<u>\$ 5,948</u>	<u>\$ 6,674</u>	<u>\$ 4,285</u>

Range of discount rates for lease liabilities was as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Buildings	0.98%-6.70%	0.98%-6.70%	0.98%-5.48%
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 the 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 leased office, the Group did not enter into any other significant lease contracts for the six months ended June 30, 2026 and 2025.

d. Other lease information

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
<u>NTD</u>				
Expenses relating to short-term leases	<u>\$ 3,325</u>	<u>\$ 4,030</u>	<u>\$ 6,140</u>	<u>\$ 8,385</u>
Expenses relating to low-value asset leases	<u>\$ 15</u>	<u>\$ 13</u>	<u>\$ 15</u>	<u>\$ 28</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>\$ 100,985</u>	<u>\$ 3,041</u>	<u>\$ 105,742</u>	<u>\$ 6,573</u>
Total cash outflow for leases	<u>\$ 164,781</u>	<u>\$ 20,158</u>	<u>\$ 187,668</u>	<u>\$ 45,025</u>
<u>USD</u>				
Expenses relating to short-term leases	<u>\$ 105</u>	<u>\$ 131</u>	<u>\$ 194</u>	<u>\$ 263</u>
Expenses relating to low-value asset leases	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 1</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>\$ 3,196</u>	<u>\$ 99</u>	<u>\$ 3,346</u>	<u>\$ 206</u>
Total cash outflow for leases	<u>\$ 5,212</u>	<u>\$ 658</u>	<u>\$ 5,936</u>	<u>\$ 1,413</u>

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

	June 30, 2026		December 31, 2025		June 30, 2025	
	NTD	USD	NTD	USD	NTD	USD
Lease commitments	<u>\$ 312,989</u>	<u>\$ 9,827</u>	<u>\$ 354,760</u>	<u>\$ 11,287</u>	<u>\$ 198,420</u>	<u>\$ 6,772</u>

15. INTANGIBLE ASSETS

	June 30, 2026	December 31, 2025	June 30, 2025
<u>NTD</u>			
Silicon Intellectual Property (SIP)	\$ 245,439	\$ 255,156	\$ 265,388
Software cost	<u>874</u>	<u>2,264</u>	<u>5,849</u>
	<u>\$ 246,313</u>	<u>\$ 257,420</u>	<u>\$ 271,237</u>
<u>USD</u>			
Silicon Intellectual Property (SIP)	\$ 7,707	\$ 8,117	\$ 9,058
Software cost	<u>27</u>	<u>73</u>	<u>199</u>
	<u>\$ 7,734</u>	<u>\$ 8,190</u>	<u>\$ 9,257</u>

The Group's addition to SIP amounted to NT\$241,830 thousand (US\$7,649 thousand) and NT\$185,551 thousand (US\$5,824 thousand) for the six months ended June 30, 2026 and 2025, respectively. Except for the aforementioned changes and the recognition of amortization expenses, there were no material changes in the consolidated entity's intangible assets.

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

SIP	1-2 years
Software cost	1-3 years

16. PREPAYMENTS

	June 30, 2026	December 31, 2025	June 30, 2025
<u>NTD</u>			
Prepayments for electronic design automation (EDA) tools	\$ 503,295	\$ 594,232	\$ 255,069
Prepayments for raw materials	442,539	2,731,169	3,763,871
Prepayments for SIP	213,356	278,001	240,940
Others	<u>76,055</u>	<u>27,484</u>	<u>38,513</u>
	<u>\$ 1,235,245</u>	<u>\$ 3,630,886</u>	<u>\$ 4,298,393</u>

(Continued)

	June 30, 2026	December 31, 2025	June 30, 2025
<u>USD</u>			
Prepayments for electronic design automation (EDA) tools	\$ 15,802	\$ 18,907	\$ 8,705
Prepayments for raw materials	13,894	86,897	128,460
Prepayments for SIP	6,699	8,845	8,224
Others	<u>2,388</u>	<u>874</u>	<u>1,314</u>
	<u>\$ 38,783</u>	<u>\$ 115,523</u>	<u>\$ 146,703</u>
			(Concluded)

17. OTHER PAYABLES

	June 30, 2026	December 31, 2025	June 30, 2025
<u>NTD</u>			
Payables for dividends	\$ 2,778,037	\$ -	\$ 2,945,750
Payables for salaries and bonuses	933,174	800,444	1,029,551
Payables for technical services	450,612	25,316	25,544
Payables for equipment	266,804	510,112	592
Payables for professional services	41,207	70,650	8,111
Others	<u>738,654</u>	<u>645,509</u>	<u>171,357</u>
	<u>\$ 5,208,488</u>	<u>\$ 2,052,031</u>	<u>\$ 4,180,905</u>
<u>USD</u>			
Payables for dividends	\$ 88,275	\$ -	\$ 98,570
Payables for salaries and bonuses	29,299	25,468	35,138
Payables for technical services	14,148	805	872
Payables for equipment	8,377	16,230	20
Payables for professional services	1,294	2,248	277
Others	<u>22,139</u>	<u>20,538</u>	<u>7,816</u>
	<u>\$ 163,532</u>	<u>\$ 65,289</u>	<u>\$ 142,693</u>

18. EQUITY

a. Ordinary shares

	June 30, 2026	December 31, 2025	June 30, 2025
Authorized shares (in thousands)	100,000	100,000	100,000
Authorized capital (in thousands of NT\$)	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Issued and paid shares (in thousands)	86,205	81,284	80,943
Issued capital (in thousands of NT\$)	\$ 862,047	\$ 812,836	\$ 809,434
Issued capital (in thousands of US\$)	\$ 27,565	\$ 26,018	\$ 25,908

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 shares offered in the form of GDRs. Each GDR represents one ordinary share of the Company. These GDRs were listed on the Luxembourg Exchange on January 20, 2021 and January 19, 2024, respectively.

On May 26, 2026, the Company's shareholders held a meeting and resolved the issuance of 4,000 thousand ordinary shares in the form of GDRs to raise funds for foreign-currency-denominated raw material purchases. Each GDR represents one ordinary share of the Company with an offering price of US\$127.51 per unit, and the total proceeds from the offering were US\$510,040 thousand. The GDRs were listed on the Luxembourg Stock Exchange on June 30, 2026. As of June 30, 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.

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:

	July 10, 2023	May 16, 2024
Closing date		
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.

The three-year transfer restriction period for the aforementioned first private placement of ordinary shares expired on August 9, 2026. On August 14, 2026, the Company's board of directors resolved to apply to the competent authority for public offering of 1,380 thousand privately placed ordinary shares.

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 May 13, 2026, the Company's board of directors resolved the private placement of ordinary shares. The relevant information is as follows:

Closing date	May 15, 2026
Number of shares (in thousands)	557
Par value (NT\$)	\$10
Subscription price (NT\$)	\$4,239
Total private placement amount (in thousands of NT\$)	\$2,362,500
Total private placement amount (in thousands of US\$)	\$75,000

The board of directors resolved the termination of the remaining limit of 943 thousand shares on May 13, 2026.

On May 26, 2026, the shareholders held a meeting and resolved the private placement of ordinary shares with a total limit of 2,000 thousand shares. The offering may be executed in one or multiple times (not exceeding three times) within one year from the date of the shareholders' meeting resolution.

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

b. Retained earnings and dividends policy

Under the dividend policy as set forth in the Articles of Incorporation, the Company's annual net income after tax shall offset its losses in previous years, then set aside a special reserve in accordance with the Applicable Public Company Rules of the Republic of China or as requested by the authorities in charge, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which shall be resolved by the shareholders' 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 resolved by the shareholders in their meetings on May 26, 2026 and May 29, 2025, respectively, were as follows:

	2025			
	Appropriation of Earnings (In Thousand)		Dividends Per Share (In Dollar)	
	NTD	USD	NTD	USD
Cash dividends	\$ <u>2,778,037</u>	\$ <u>88,275</u>	\$ 34.17	\$ 1.086

	2024			
	Appropriation of Earnings (In Thousand)		Dividends Per Share (In Dollar)	
	NTD	USD	NTD	USD
Cash dividends	\$ <u>2,945,750</u>	\$ <u>98,570</u>	\$ 36.50	\$ 1.221

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:

	For the Six Months Ended June 30			
	2026		2025	
	Number of Options	Weighted-average Exercise Price (NT\$)	Number of Options	Weighted-average Exercise Price (NT\$)
Balance on January 1	1,815,736	\$ 659	2,436,314	\$ 618
Options granted	50,000	3,359	20,000	2,300
Options exercised	(363,771)	456	(294,877)	519
Options expired	<u>(5,920)</u>	2,383	<u>(3,500)</u>	1,641
Balance on June 30	<u>1,496,045</u>	788	<u>2,157,937</u>	645
Options exercisable, end of the period	<u>1,352,609</u>	556	<u>1,893,885</u>	503
Weighted-average fair value of options granted (NT\$)	<u>\$ 2,005</u>		<u>\$ 1,366</u>	

The weighted-average share prices on the exercise date of the share options for the six months ended June 30, 2026 and 2025 were \$3,671 and \$2,971, respectively.

Information on outstanding options was as follows:

June 30			
2026		2025	
Exercise Price (NT\$)	Weighted-average Remaining Contractual Life (In Years)	Exercise Price (NT\$)	Weighted-average Remaining Contractual Life (In Years)
\$ 39.8	0.69	\$ 36.3	0.68
95.0	1.52	24.4	1.37
114.3	1.75	40.0	1.70
120.0	1.80	81.2	2.42
118.0	2.12	95.4	2.52
85.0	2.23	93.1	2.61
72.3	2.89	114.8	2.75
93.0	3.11	120.6	2.81
200.0	3.40	118.6	3.12

(Continued)

June 30			
2026		2025	
Exercise Price (NT\$)	Weighted-average Remaining Contractual Life (In Years)	Exercise Price (NT\$)	Weighted-average Remaining Contractual Life (In Years)
\$ 202.0	3.64	\$ 85.4	3.23
261.3	3.83	73.3	3.72
314.9	3.96	72.6	3.89
550.9	4.09	93.4	4.11
543.9	4.46	200.9	4.40
780.4	4.69	202.9	4.64
391.2	4.88	262.5	4.83
551.0	5.14	319.1	4.96
979.4	5.33	558.3	5.09
934.6	5.70	551.2	5.46
842.5	5.84	790.9	5.69
787.4	6.16	396.4	5.88
812.9	6.38	558.4	6.15
1,470.5	6.90	992.5	6.34
3,329.8	7.71	947.2	6.70
2,451.7	8.16	853.8	6.84
2,000.1	8.35	797.9	7.16
2,269.7	8.86	823.8	7.39
2,981.8	9.70	1,490.2	7.90
4,868.4	9.86	3,374.4	8.71
		2,484.5	9.16
		2,026.9	9.35
		2,300.0	9.86
(Concluded)			

The employee share options granted during the six months ended June 30, 2026 and 2025 were valued using the Black-Scholes pricing model, and the inputs to the model were as follows:

	May 8, 2026	March 9, 2026	May 9, 2025
Grant-date share price (NT\$)	\$4,890	\$2,995	\$2,300
Exercise price (NT\$)	\$4,890	\$2,995	\$2,300
Expected volatility	63.45%-64.48%	62.77%-64.16%	63.02%-64.16%
Expected life (in years)	6-7 years	6-7 years	6-7 years
Expected dividend yield	-	-	-
Risk-free interest rate	1.45%-1.48%	1.38%-1.41%	1.44%-1.48%

Compensation costs recognized were NT\$19,316 thousand (US\$611 thousand) and NT\$10,315 thousand (US\$357 thousand) for the three months ended June 30, 2026 and 2025, respectively, and NT\$38,425 thousand (US\$1,215 thousand) and NT\$44,426 thousand (US\$1,394 thousand) for the six months ended June 30, 2026 and 2025, respectively.

20. REVENUE

a. Contract information

The changes in the contract liability balances primarily result from the timing difference between the satisfaction of performance obligation and the customer's payment. From the contract liability outstanding balance at the beginning of the year, the Group recognized NT\$2,195,627 thousand (US\$69,478 thousand) and NT\$1,084,589 thousand (US\$38,331 thousand) as revenue for the three months ended June 30, 2026 and 2025, respectively, and the Group recognized NT\$3,785,968 thousand (US\$119,756 thousand) and NT\$5,421,744 thousand (US\$170,179 thousand) as revenue for the six months ended June 30, 2026 and 2025, respectively.

b. Disaggregation of revenue from contracts with customers

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
<u>NTD</u>				
<u>Production</u>				
ASIC and wafer product	\$ 7,552,181	\$ 9,006,439	\$ 11,589,591	\$ 19,428,098
Non-recurring engineering (NRE)	87,586	130,786	237,031	187,998
Others	<u>-</u>	<u>6,772</u>	<u>-</u>	<u>12,756</u>
	<u>\$ 7,639,767</u>	<u>\$ 9,143,997</u>	<u>\$ 11,826,622</u>	<u>\$ 19,628,852</u>
<u>Geography</u>				
United States	\$ 3,901,536	\$ 7,206,765	\$ 4,859,831	\$ 16,922,778
China	1,891,780	835,972	3,840,834	1,162,746
Japan	515,356	841,593	858,822	1,065,962
Europe	281,235	187,779	307,331	193,282
Others	<u>1,049,860</u>	<u>71,888</u>	<u>1,959,804</u>	<u>284,084</u>
	<u>\$ 7,639,767</u>	<u>\$ 9,143,997</u>	<u>\$ 11,826,622</u>	<u>\$ 19,628,852</u>
<u>Application type</u>				
High performance computing	\$ 3,836,757	\$ 7,427,211	\$ 5,955,321	\$ 17,412,754
Consumer	2,474,626	1,359,160	3,977,452	1,542,352
Communication	1,240,915	286,217	1,675,651	520,024
Niche market	<u>87,469</u>	<u>71,409</u>	<u>218,198</u>	<u>153,722</u>
	<u>\$ 7,639,767</u>	<u>\$ 9,143,997</u>	<u>\$ 11,826,622</u>	<u>\$ 19,628,852</u>

(Continued)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
<u>Resolution</u>				
3-nanometer	\$ 3,558,878	\$ 430,645	\$ 4,447,996	\$ 1,359,528
5-nanometer	2,866,260	7,204,316	5,212,485	10,529,291
7-nanometer	215,473	77,378	522,021	5,870,830
12-nanometer	450,418	419,112	810,115	553,842
16-nanometer and above	<u>548,738</u>	<u>1,012,546</u>	<u>834,005</u>	<u>1,315,361</u>
	<u>\$ 7,639,767</u>	<u>\$ 9,143,997</u>	<u>\$ 11,826,622</u>	<u>\$ 19,628,852</u>
<u>USD</u>				
<u>Production</u>				
ASIC and wafer product	\$ 238,955	\$ 292,999	\$ 366,596	\$ 609,815
Non-recurring engineering (NRE)	2,773	4,162	7,498	5,901
Others	<u>-</u>	<u>218</u>	<u>-</u>	<u>400</u>
	<u>\$ 241,728</u>	<u>\$ 297,379</u>	<u>\$ 374,094</u>	<u>\$ 616,116</u>
<u>Geography</u>				
United States	\$ 123,427	\$ 235,813	\$ 153,723	\$ 531,177
China	59,874	26,563	121,492	36,497
Japan	16,307	26,638	27,166	33,459
Europe	8,896	5,900	9,721	6,067
Others	<u>33,224</u>	<u>2,465</u>	<u>61,992</u>	<u>8,916</u>
	<u>\$ 241,728</u>	<u>\$ 297,379</u>	<u>\$ 374,094</u>	<u>\$ 616,116</u>
<u>Application type</u>				
High performance computing	\$ 121,398	\$ 242,998	\$ 188,376	\$ 546,556
Consumer	78,302	42,843	125,813	48,412
Communication	39,259	9,215	53,003	16,323
Niche market	<u>2,769</u>	<u>2,323</u>	<u>6,902</u>	<u>4,825</u>
	<u>\$ 241,728</u>	<u>\$ 297,379</u>	<u>\$ 374,094</u>	<u>\$ 616,116</u>
<u>Resolution</u>				
3-nanometer	\$ 112,588	\$ 14,435	\$ 140,697	\$ 42,673
5-nanometer	90,704	229,419	164,879	330,497
7-nanometer	6,821	8,155	16,512	184,275
12-nanometer	14,253	13,288	25,625	17,384
16-nanometer and above	<u>17,362</u>	<u>32,082</u>	<u>26,381</u>	<u>41,287</u>
	<u>\$ 241,728</u>	<u>\$ 297,379</u>	<u>\$ 374,094</u>	<u>\$ 616,116</u>
				(Concluded)

21. NET PROFIT

Net profit included the following items:

a. Interest income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
<u>NTD</u>				
Bank deposits	\$ 234,239	\$ 349,780	\$ 492,747	\$ 628,159
Investments in debt instruments at FVTOCI	21,338	15,961	42,787	29,120
Financial assets at amortized cost	121,248	45,519	210,637	84,270
Others	<u>124</u>	<u>151</u>	<u>239</u>	<u>274</u>
	<u>\$ 376,949</u>	<u>\$ 411,411</u>	<u>\$ 746,410</u>	<u>\$ 741,823</u>
<u>USD</u>				
Bank deposits	\$ 7,414	\$ 11,254	\$ 15,586	\$ 19,717
Investments in debt instruments at FVTOCI	675	514	1,353	914
Financial assets at amortized cost	3,837	1,467	6,663	2,645
Others	<u>4</u>	<u>5</u>	<u>8</u>	<u>9</u>
	<u>\$ 11,930</u>	<u>\$ 13,240</u>	<u>\$ 23,610</u>	<u>\$ 23,285</u>

b. Other gains and losses

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
<u>NTD</u>				
Net foreign exchange gains	\$ 23,920	\$ 31,563	\$ 44,839	\$ 4,425
Loss on disposal of equipment	(6)	(47)	(1,762)	(202)
Gain (loss) on disposal of financial assets	305	(49)	345	(49)
Others	<u>(53)</u>	<u>5</u>	<u>(53)</u>	<u>(290)</u>
	<u>\$ 24,166</u>	<u>\$ 31,472</u>	<u>\$ 43,369</u>	<u>\$ 3,884</u>
				(Continued)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
<u>USD</u>				
Net foreign exchange gains	\$ 757	\$ 964	\$ 1,419	\$ 139
Loss on disposal of equipment	-	(1)	(56)	(6)
Gain (loss) on disposal of financial assets	10	(2)	11	(2)
Others	<u>(2)</u>	<u>-</u>	<u>(2)</u>	<u>(9)</u>
	<u>\$ 765</u>	<u>\$ 961</u>	<u>\$ 1,372</u>	<u>\$ 122</u>
				(Concluded)

c. Finance costs

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
<u>NTD</u>				
Interest on lease liabilities	<u>\$ 2,828</u>	<u>\$ 1,815</u>	<u>\$ 5,981</u>	<u>\$ 3,691</u>
<u>USD</u>				
Interest on lease liabilities	<u>\$ 89</u>	<u>\$ 59</u>	<u>\$ 189</u>	<u>\$ 116</u>

d. Depreciation and amortization

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
<u>NTD</u>				
Property, plant and equipment	\$ 618,998	\$ 562,719	\$ 1,152,248	\$ 1,373,690
Right-of-use assets	24,577	22,610	49,343	46,313
Intangible assets	<u>122,075</u>	<u>79,720</u>	<u>256,208</u>	<u>134,737</u>
	<u>\$ 765,650</u>	<u>\$ 665,049</u>	<u>\$ 1,457,799</u>	<u>\$ 1,554,740</u>
An analysis of depreciation by function				
Operating costs	\$ 600,901	\$ 543,315	\$ 1,117,088	\$ 1,331,940
Operating expenses	<u>42,674</u>	<u>42,014</u>	<u>84,503</u>	<u>88,063</u>
	<u>\$ 643,575</u>	<u>\$ 585,329</u>	<u>\$ 1,201,591</u>	<u>\$ 1,420,003</u>
				(Continued)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
An analysis of amortization by function				
Operating costs	\$ 121,824	\$ 77,574	\$ 254,847	\$ 130,540
Operating expenses	<u>251</u>	<u>2,146</u>	<u>1,361</u>	<u>4,197</u>
	<u>\$ 122,075</u>	<u>\$ 79,720</u>	<u>\$ 256,208</u>	<u>\$ 134,737</u>

USD

Property, plant and equipment	\$ 19,589	\$ 18,465	\$ 36,447	\$ 43,118
Right-of-use assets	778	733	1,561	1,454
Intangible assets	<u>3,863</u>	<u>2,557</u>	<u>8,104</u>	<u>4,229</u>
	<u>\$ 24,230</u>	<u>\$ 21,755</u>	<u>\$ 46,112</u>	<u>\$ 48,801</u>

An analysis of depreciation by function				
Operating costs	\$ 19,017	\$ 17,834	\$ 35,335	\$ 41,808
Operating expenses	<u>1,350</u>	<u>1,364</u>	<u>2,673</u>	<u>2,764</u>
	<u>\$ 20,367</u>	<u>\$ 19,198</u>	<u>\$ 38,008</u>	<u>\$ 44,572</u>

An analysis of amortization by function				
Operating costs	\$ 3,855	\$ 2,487	\$ 8,061	\$ 4,097
Operating expenses	<u>8</u>	<u>70</u>	<u>43</u>	<u>132</u>
	<u>\$ 3,863</u>	<u>\$ 2,557</u>	<u>\$ 8,104</u>	<u>\$ 4,229</u>

(Concluded)

e. Employee benefits expense

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Post-employment benefits				
Defined contribution plan	\$ 22,585	\$ 19,562	\$ 45,721	\$ 40,561
Share-based payments				
(Note 19)	19,316	10,315	38,425	44,426
Other employee benefits	<u>493,292</u>	<u>515,270</u>	<u>902,822</u>	<u>981,655</u>
	<u>\$ 535,193</u>	<u>\$ 545,147</u>	<u>\$ 986,968</u>	<u>\$ 1,066,642</u>

(Continued)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
An analysis of employee benefits expense by function				
Operating costs	\$ 9,930	\$ 8,836	\$ 16,383	\$ 14,573
Operating expenses	<u>525,263</u>	<u>536,311</u>	<u>970,585</u>	<u>1,052,069</u>
	<u>\$ 535,193</u>	<u>\$ 545,147</u>	<u>\$ 986,968</u>	<u>\$ 1,066,642</u>

USD

Post-employment benefits				
Defined contribution plan	\$ 715	\$ 635	\$ 1,446	\$ 1,273
Share-based payments (Note 19)	611	357	1,215	1,394
Other employee benefits	<u>15,610</u>	<u>16,635</u>	<u>28,557</u>	<u>30,813</u>
	<u>\$ 16,936</u>	<u>\$ 17,627</u>	<u>\$ 31,218</u>	<u>\$ 33,480</u>

An analysis of employee benefits expense by function				
Operating costs	\$ 314	\$ 284	\$ 518	\$ 458
Operating expenses	<u>16,622</u>	<u>17,343</u>	<u>30,700</u>	<u>33,022</u>
	<u>\$ 16,936</u>	<u>\$ 17,627</u>	<u>\$ 31,218</u>	<u>\$ 33,480</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 June 30, 2026 and 2025 and the six months ended June 30, 2026 and 2025 were as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
NTD				
Compensation of employees	\$ 79,001	\$ 67,707	\$ 142,263	\$ 143,366
Remuneration of directors	<u>15,798</u>	<u>15,411</u>	<u>31,614</u>	<u>31,859</u>
	<u>\$ 94,799</u>	<u>\$ 83,118</u>	<u>\$ 173,877</u>	<u>\$ 175,225</u>
USD				
Compensation of employees	\$ 2,500	\$ 2,200	\$ 4,500	\$ 4,500
Remuneration of directors	<u>500</u>	<u>500</u>	<u>1,000</u>	<u>1,000</u>
	<u>\$ 3,000</u>	<u>\$ 2,700</u>	<u>\$ 5,500</u>	<u>\$ 5,500</u>

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

The compensation of employees and remuneration of directors for 2025 and 2024 resolved by the board of directors were as follows:

	2025		2024	
	Cash		Cash	
	NTD	USD	NTD	USD
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 annual 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:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
<u>NTD</u>				
Current tax				
In respect of the current period	\$ 395,307	\$ 302,970	\$ 609,849	\$ 712,119
Adjustments for prior period	<u>(10,009)</u>	<u>(18,960)</u>	<u>(9,895)</u>	<u>(18,862)</u>
	<u>385,298</u>	<u>284,010</u>	<u>599,954</u>	<u>693,257</u>
Deferred tax				
In respect of the current period	<u>11,675</u>	<u>(6,588)</u>	<u>153,941</u>	<u>(83,999)</u>
Income tax expense recognized in profit or loss	<u>\$ 396,973</u>	<u>\$ 277,422</u>	<u>\$ 753,895</u>	<u>\$ 609,258</u>

(Continued)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
<u>USD</u>				
Current tax				
In respect of the current period	\$ 12,508	\$ 9,915	\$ 19,290	\$ 22,353
Adjustments for prior period	<u>(317)</u>	<u>(595)</u>	<u>(313)</u>	<u>(592)</u>
	<u>12,191</u>	<u>9,320</u>	<u>18,977</u>	<u>21,761</u>
Deferred tax				
In respect of the current period	<u>372</u>	<u>(284)</u>	<u>4,870</u>	<u>(2,637)</u>
Income tax expense recognized in profit or loss	<u>\$ 12,563</u>	<u>\$ 9,036</u>	<u>\$ 23,847</u>	<u>\$ 19,124</u>
				(Concluded)

The income tax rate is 20% used by the Group's subsidiary and branch located in Taiwan, according to the Income Tax Acts of the Republic of China. Alchip Shanghai, Alchip Jinan and Alchip Wuxi are 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 two-year exemption and three-year 50% reduction of 12.5% in 2025. The applicable tax rate used by the Group's subsidiary located in Japan is approximately 37%.

b. Income tax recognized in other comprehensive income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
<u>NTD</u>				
Deferred tax				
In respect of the current year				
Fair value changes of financial assets at FVTOCI	<u>\$ (2,009)</u>	<u>\$ 1,428</u>	<u>\$ 122</u>	<u>\$ 757</u>
<u>USD</u>				
Deferred tax				
In respect of the current year				
Fair value changes of financial assets at FVTOCI	<u>\$ (63)</u>	<u>\$ 44</u>	<u>\$ 5</u>	<u>\$ 24</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

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
<u>NTD</u>				
Basic earnings per share	\$ 20.01	\$ 16.37	\$ 37.57	\$ 34.49
Diluted earnings per share	\$ 18.72	\$ 16.02	\$ 35.05	\$ 33.71
<u>USD</u>				
Basic earnings per share	\$ 0.63	\$ 0.53	\$ 1.19	\$ 1.08
Diluted earnings per share	\$ 0.59	\$ 0.52	\$ 1.11	\$ 1.06

EPS is computed as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
<u>NTD</u>				
Profit for the period attributable to owners of the Company	\$ 1,638,567	\$ 1,323,522	\$ 3,066,460	\$ 2,787,040
Earnings used in the computation of basic and diluted earnings per share	\$ 1,638,567	\$ 1,323,522	\$ 3,066,460	\$ 2,787,040
<u>USD</u>				
Profit for the period attributable to owners of the Company	\$ 51,853	\$ 42,989	\$ 96,996	\$ 87,480
Earnings used in the computation of basic and diluted earnings per share	\$ 51,853	\$ 42,989	\$ 96,996	\$ 87,480

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

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Weighted average number of ordinary shares used in the computation of basic earnings per share	81,892	80,869	81,617	80,805
Effect of potentially dilutive ordinary shares				
Employee share option	5,586	1,680	5,794	1,792
Compensation of employees	<u>34</u>	<u>43</u>	<u>65</u>	<u>73</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>87,512</u>	<u>82,592</u>	<u>87,476</u>	<u>82,670</u>

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

24. CASH FLOW INFORMATION

Non-cash Transactions

	For the Six Months Ended June 30			
	2026		2025	
	USD	NTD	USD	NTD
Additions of equipment	\$ 22,546	\$ 712,781	\$ 43,060	\$ 1,371,833
Changes in payables for equipment	7,853	243,308	5,083	166,697
Effect of foreign currency exchange differences	<u>-</u>	<u>4,963</u>	<u>-</u>	<u>(4,776)</u>
Payments for acquisition of equipment	<u>\$ 30,399</u>	<u>\$ 961,052</u>	<u>\$ 48,143</u>	<u>\$ 1,533,754</u>
Additions of intangible assets	\$ 7,651	\$ 241,864	\$ 5,919	\$ 188,568
Changes in prepayments	(2,146)	(64,645)	759	(3,807)
Changes in other accounts payables	442	13,883	-	121
Effect of foreign currency exchange differences	<u>-</u>	<u>(3,115)</u>	<u>-</u>	<u>27,856</u>
Payments for acquisition of intangible assets	<u>\$ 5,947</u>	<u>\$ 187,987</u>	<u>\$ 6,678</u>	<u>\$ 212,738</u>

25. CAPITAL MANAGEMENT

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

26. FINANCIAL INSTRUMENTS

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

Management believes 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.

June 30, 2026

	Level 1	Level 2	Level 3	Total
<u>NTD</u>				
Financial assets at FVTOCI				
Investments in debt instruments				
Corporate bonds	\$ -	\$ 1,836,273	\$ -	\$ 1,836,273
Investments in equity instruments				
Equity investment fund	-	-	580,143	580,143
Unlisted domestic shares	-	-	31,850	31,850
Unlisted foreign shares	-	-	127,398	127,398
	<u>\$ -</u>	<u>\$ 1,836,273</u>	<u>\$ 739,391</u>	<u>\$ 2,575,664</u>

USD

Financial assets at FVTOCI				
Investments in debt instruments				
Corporate bonds	\$ -	\$ 57,653	\$ -	\$ 57,653
Investments in equity instruments				
Equity investment fund	-	-	18,216	18,216
Unlisted domestic shares	-	-	1,000	1,000
Unlisted foreign shares	-	-	4,000	4,000
	<u>\$ -</u>	<u>\$ 57,653</u>	<u>\$ 23,216</u>	<u>\$ 80,869</u>

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>

June 30, 2025

	Level 1	Level 2	Level 3	Total
<u>NTD</u>				
Financial assets at FVTOCI				
Investments in debt instruments				
Corporate bonds	\$ -	\$ 1,652,093	\$ -	\$ 1,652,093
Investments in equity instruments				
Equity investment fund	-	-	368,344	368,344
	<u>\$ -</u>	<u>\$ 1,652,093</u>	<u>\$ 368,344</u>	<u>\$ 2,020,437</u>

USD

Financial assets at FVTOCI				
Investments in debt instruments				
Corporate bonds	\$ -	\$ 56,386	\$ -	\$ 56,386
Investments in equity instruments				
Equity investment fund	-	-	12,570	12,570
	<u>\$ -</u>	<u>\$ 56,386</u>	<u>\$ 12,570</u>	<u>\$ 68,956</u>

There were no transfers between Levels 1 and 2 for the six months ended June 30, 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 six months ended June 30, 2026 and 2025 are as follows:

	For the Six Months Ended June 30			
	2026		2025	
	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)	76,837	2,432	(4,791)	(151)
Purchases	189,571	5,996	115,114	3,612
Effect of foreign currency exchange differences	<u>8,200</u>	<u>-</u>	<u>(40,603)</u>	<u>-</u>
Balance on June 30	<u>\$ 739,391</u>	<u>\$ 23,216</u>	<u>\$ 368,344</u>	<u>\$ 12,570</u>

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

Financial Instrument	Valuation Technique and Inputs
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

	June 30, 2026	December 31, 2025	June 30, 2025
<u>NTD</u>			
<u>Financial assets</u>			
Financial assets at amortized cost (1)	\$ 59,001,036	\$ 42,071,111	\$ 37,877,764
Financial assets at FVTOCI			
Debt instruments	1,836,273	1,837,535	1,652,093
Equity instruments	739,391	464,783	368,344
<u>Financial liabilities</u>			
Amortized cost (2)	9,279,649	3,230,334	1,093,545

(Continued)

	June 30, 2026	December 31, 2025	June 30, 2025
<u>USD</u>			
<u>Financial assets</u>			
Financial assets at amortized cost (1)	\$ 1,852,465	\$ 1,338,566	\$ 1,292,756
Financial assets at FVTOCI			
Debt instruments	57,653	58,464	56,386
Equity instruments	23,216	14,788	12,570
<u>Financial liabilities</u>			
Amortized cost (2)	290,303	102,779	39,291 (Concluded)

- 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.

Unit: In Thousands of U.S. Dollars

	Profit or Loss For the Six Months Ended June 30	
	2026	2025
RMB	\$ 3,640	\$ 3,705
USD	(2)	189
NTD	85	124

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:

	June 30, 2026	December 31, 2025	June 30, 2025
<u>NTD</u>			
Fair value interest rate risk			
Financial assets	\$ 26,202,220	\$ 15,635,209	\$ 11,972,859
Financial liabilities	289,792	325,240	186,610
Cash flow interest rate risk			
Financial assets	28,973,881	24,914,317	25,275,873

(Continued)

	June 30, 2026	December 31, 2025	June 30, 2025
<u>USD</u>			
Fair value interest rate risk			
Financial assets	\$ 822,674	\$ 497,461	\$ 408,631
Financial liabilities	9,099	10,348	6,369
Cash flow interest rate risk			
Financial assets	909,699	792,692	862,657
			(Concluded)

Sensitivity analysis

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

If interest rates had been 25 basis points higher/lower and all other variables were held constant, the Group's pre-tax profit for the six months ended June 30, 2026 and 2025 would have increased/decreased by NT\$36,217 thousand (US\$1,137 thousand) and NT\$31,595 thousand (US\$1,078 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 increase/decrease by 10%, the Group's other comprehensive income before tax from January 1 to June 30, 2026 and 2025 will increase/decrease by NT\$73,939 thousand (US\$2,322 thousand) and NT\$36,834 thousand (US\$1,257 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 June 30, 2026 and 2025 will increase/decrease by NT\$83,515 thousand (US\$2,622 thousand) and NT\$42,375 thousand (US\$1,446 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 June 30, 2026, December 31, 2025 and June 30, 2025, the Group's five largest customers accounted for 73%, 68% and 67% 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.

	June 30, 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	\$ 7,311,038	\$ 472,745	\$ -	\$ -	\$ -	\$ 229,546	\$ 14,843	\$ -	\$ -	\$ -
Other payables	1,411,224	13,221	71,421	-	-	43,257	415	2,242	-	-
Lease liabilities	6,729	22,352	81,609	198,504	4,281	212	702	2,562	6,232	134
	<u>\$ 8,728,991</u>	<u>\$ 508,318</u>	<u>\$ 153,030</u>	<u>\$ 198,504</u>	<u>\$ 4,281</u>	<u>\$ 273,015</u>	<u>\$ 15,960</u>	<u>\$ 4,804</u>	<u>\$ 6,232</u>	<u>\$ 134</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>

	June 30, 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	\$ 602,306	\$ 292,387	\$ -	\$ -	\$ -	\$ 20,557	\$ 9,979	\$ -	\$ -	\$ -
Other payables	16,109	91,868	90,875	-	-	2,518	3,135	3,102	-	-
Lease liabilities	1,844	44,696	20,166	130,040	-	63	1,525	688	4,439	-
	<u>\$ 620,259</u>	<u>\$ 428,951</u>	<u>\$ 111,041</u>	<u>\$ 130,040</u>	<u>\$ -</u>	<u>\$ 23,138</u>	<u>\$ 14,639</u>	<u>\$ 3,790</u>	<u>\$ 4,439</u>	<u>\$ -</u>

b) Financing facilities

	June 30, 2026	December 31, 2025	June 30, 2025
<u>NTD</u>			
Other loan facilities			
Amount used	\$ -	\$ -	\$ -
Amount unused	<u>95,550</u>	<u>228,438</u>	<u>210,689</u>
	<u>\$ 95,550</u>	<u>\$ 228,438</u>	<u>\$ 210,689</u>
<u>USD</u>			
Other loan facilities			
Amount used	\$ -	\$ -	\$ -
Amount unused	<u>3,000</u>	<u>7,268</u>	<u>7,191</u>
	<u>\$ 3,000</u>	<u>\$ 7,268</u>	<u>\$ 7,191</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. Operating revenue

NTD

Line Item	Related Party Category	For the Three Months Ended June 30		For the Six Months Ended June 30	
		2026	2025	2026	2025
Service revenue	Associate	<u>\$ 45,634</u>	<u>\$ -</u>	<u>\$ 45,634</u>	<u>\$ -</u>

USD

Line Item	Related Party Category	For the Three Months Ended June 30		For the Six Months Ended June 30	
		2026	2025	2026	2025
Service revenue	Associate	<u>\$ 1,443</u>	<u>\$ -</u>	<u>\$ 1,443</u>	<u>\$ -</u>

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

NTD

Line Item	Related Party Category	June 30, 2026	December 31, 2025	June 30, 2025
Trade receivables	Associate	\$ <u> -</u>	\$ <u>375,087</u>	\$ <u> -</u>

USD

Line Item	Related Party Category	June 30, 2026	December 31, 2025	June 30, 2025
Trade receivables	Associate	\$ <u> -</u>	\$ <u>11,934</u>	\$ <u> -</u>

The outstanding trade receivables from related parties mentioned above were unsecured. For the six months ended June 30, 2026 and 2025, no provisions for impairment loss were recognized.

d. Contract liabilities

NTD

Related Party Category	June 30, 2026	December 31, 2025	June 30, 2025
Associate	\$ <u>150,763</u>	\$ <u> -</u>	\$ <u> -</u>

USD

Related Party Category	June 30, 2026	December 31, 2025	June 30, 2025
Associate	\$ <u>4,734</u>	\$ <u> -</u>	\$ <u> -</u>

e. Service expense

NTD

Line Item	Related Party Category	For the Three Months Ended June 30		For the Six Months Ended June 30	
		2026	2025	2026	2025
Research and development expenses	Associate	\$ <u>62,956</u>	\$ <u> -</u>	\$ <u>70,864</u>	\$ <u>11,947</u>

USD

Line Item	Related Party Category	For the Three Months Ended June 30		For the Six Months Ended June 30	
		2026	2025	2026	2025
Research and development expenses	Associate	\$ 1,992	\$ -	\$ 2,242	\$ 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 June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Other employee benefits	\$ 87,544	\$ 95,154	\$ 169,899	\$ 197,744
Share-based payments	8,152	156	13,095	3,058
Post-employment benefits	520	216	797	433
	<u>\$ 96,216</u>	<u>\$ 95,526</u>	<u>\$ 183,791</u>	<u>\$ 201,235</u>

NTD

Other employee benefits	\$ 87,544	\$ 95,154	\$ 169,899	\$ 197,744
Share-based payments	8,152	156	13,095	3,058
Post-employment benefits	520	216	797	433
	<u>\$ 96,216</u>	<u>\$ 95,526</u>	<u>\$ 183,791</u>	<u>\$ 201,235</u>

USD

Other employee benefits	\$ 2,771	\$ 3,087	\$ 5,375	\$ 6,206
Share-based payments	258	8	414	96
Post-employment benefits	16	7	25	14
	<u>\$ 3,045</u>	<u>\$ 3,102</u>	<u>\$ 5,814</u>	<u>\$ 6,316</u>

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

28. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

As of June 30, 2026, December 31, 2025 and June 30, 2025, the Group provided time deposits amounting to NT\$11,178,011 thousand (US\$350,958 thousand), NT\$30,349 thousand (US\$966 thousand) and NT\$30,281 thousand (US\$1,033 thousand) as tariff guarantees for imported raw materials and collateral for standby letters of credit issued by banks.

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 June 30, 2026, December 31, 2025 and June 30, 2025, the Group was still obligated to pay US\$8,333 thousand, US\$12,550 thousand and US\$16,717 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 June 30, 2026, standby letters of credit issued by financial institutions for purchases of raw materials amounted to US\$700,000 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:

June 30, 2026

	Foreign Currency	Exchange Rate	Carrying Amount (USD in Thousands)
<u>Financial assets</u>			
Monetary items			
RMB	\$ 551,364	0.146823 (RMB:USD)	\$ 80,953
EUR	5,028	1.139403 (EUR:USD)	5,729
NTD	170,703	0.031397 (NTD:USD)	<u>5,360</u>
			<u>\$ 92,042</u>
Non-monetary items			
Investments in equity instruments at FVTOCI			
RMB	48,457	0.146823 (RMB:USD)	\$ 7,115
NTD	31,850	0.031397 (NTD:USD)	<u>1,000</u>
			<u>\$ 8,115</u>
			(Continued)

	Foreign Currency	Exchange Rate	Carrying Amount (USD in Thousands)
<u>Financial liabilities</u>			
Monetary items			
RMB	\$ 80,055	0.146823 (RMB:USD)	\$ 11,754
NTD	116,294	0.031397 (NTD:USD)	3,651
USD	39	162.258640 (USD:JPY)	<u>39</u>
			<u>\$ 15,444</u>
			(Concluded)

December 31, 2025

	Foreign Currency	Exchange Rate	Carrying Amount (USD in Thousands)
<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>

June 30, 2025

	Foreign Currency	Exchange Rate	Carrying Amount (USD in Thousands)
<u>Financial assets</u>			
Monetary items			
RMB	\$ 584,045	0.139692 (RMB:USD)	\$ 81,586
NTD	115,494	0.034130 (NTD:USD)	3,942
USD	3,777	144.050706 (USD:JPY)	<u>3,777</u>
			<u>\$ 89,305</u>
Non-monetary items			
Investments in equity instruments at FVTOCI			
RMB	48,840	0.139692 (RMB:USD)	<u>\$ 6,823</u>
<u>Financial liabilities</u>			
Monetary items			
RMB	53,552	0.139692 (RMB:USD)	\$ 7,481
NTD	42,970	0.034130 (NTD:USD)	<u>1,467</u>
			<u>\$ 8,948</u>

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

Unit: In Thousands of U.S. Dollars

For the Three Months Ended June 30				
2026			2025	
Foreign Currency	Exchange Rate	Net Foreign Exchange Gains (Losses)	Exchange Rate	Net Foreign Exchange Gains (Losses)
RMB	0.146183 (RMB:USD)	\$ 971	0.13906 (RMB:USD)	\$ 57
USD	159.341066 (USD:JPY)	13	144.300874 (USD:JPY)	(194)
NTD	0.031648 (NTD:USD)	(174)	0.032444 (NTD:USD)	1,084
MYR	0.241935 (MYR:USD)	(6)	0.223596 (MYR:USD)	-
EUR	1.163389 (EUR:USD)	<u>(41)</u>	1.134879 (EUR:USD)	<u>-</u>
		<u>\$ 763</u>		<u>\$ 947</u>

Unit: In Thousands of U.S. Dollars

For the Six Months Ended June 30				
Foreign Currency	2026		2025	
	Exchange Rate	Net Foreign Exchange Gains (Losses)	Exchange Rate	Net Foreign Exchange Gains (Losses)
RMB	0.145020 (RMB:USD)	\$ 1,904	0.139204 (RMB:USD)	\$ 45
USD	158.077774 (USD:JPY)	22	148.456057 (USD:JPY)	(442)
NTD	0.031632 (NTD:USD)	(250)	0.031388 (NTD:USD)	514
MYR	0.242915 (MYR:USD)	(33)	0.219922 (MYR:USD)	-
EUR	1.167204 (EUR:USD)	(214)	1.091685 (EUR:USD)	-
		<u>\$ 1,429</u>		<u>\$ 117</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.

TABLE 1

ALCHIP TECHNOLOGIES, LIMITED AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE SIX MONTHS ENDED JUNE 30, 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	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)	\$ - (EUR -)	\$ -	6	The need for short-term financing	\$ -	Business cooperation and strategic alliance needs	\$ -	None	\$ -	\$ 545,205	\$ 1,090,409	-

- 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 lender’s policy, limit on total loans shall not exceed 40% of the lender’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 lender’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\$37.58 as of January 30, 2026.
- Note 5: As of June 30, 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 EUR8,000 thousand to SiPearl.

TABLE 2

ALCHIP TECHNOLOGIES, LIMITED AND SUBSIDIARIES

SIGNIFICANT MARKETABLE SECURITIES HELD
JUNE 30, 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	June 30, 2026				Note
				Number of Shares/Units (In Thousands)	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Alchip BVI	<u>Corporate bonds</u>							
	Korea National Oil Corp	-	Financial assets at fair value through other comprehensive income - current	-	\$ 31,954	-	\$ 31,954	-
	BNP PARIBAS SA	-	"	-	51,004	-	51,004	-
	Credit Agricole SA	-	"	-	31,814	-	31,814	-
	Toyota Motor	-	"	-	64,012	-	64,012	-
	Australia Bank	-	"	-	31,735	-	31,735	-
	NTT Finance Corp	-	Financial assets at fair value through other comprehensive income - non-current	-	32,009	-	32,009	-
	Macquarie Bank	-	"	-	32,136	-	32,136	-
	Banco Santander SA	-	"	-	32,442	-	32,442	-
	Korea Gas Corp	-	"	-	16,178	-	16,178	-
	CK Hutchison International (24) Limited	-	"	-	68,076	-	68,076	-
	TSMC Global Ltd	-	"	-	50,933	-	50,933	-
	Citigroup Inc	-	"	-	50,496	-	50,496	-
	UBS GROUP AG VRN	-	"	-	50,940	-	50,940	-
	Goldman Sachs Group Inc	-	"	-	50,522	-	50,522	-
	Broadcom Inc	-	"	-	51,754	-	51,754	-
	Bank of America Corp.	-	"	-	50,573	-	50,573	-
	DEUTSCHE BANK AG	-	"	-	50,277	-	50,277	-
	ANZ NEW ZEALAND INT'L LTD	-	"	-	51,898	-	51,898	-
	UBS GROUP AG	-	"	-	50,736	-	50,736	-
	NOMURA HOLDINGS INC	-	"	-	51,535	-	51,535	-
	JPMORGAN CHASE & CO	-	"	-	50,528	-	50,528	-
	META PLATFORMS INC	-	"	-	19,121	-	19,121	-
	PFIZER INVESTMENT ENTERPRISES	-	"	-	31,689	-	31,689	-
	ELI LILLY & CO	-	"	-	25,353	-	25,353	-
	Pfizer Investment Enterprises Pte. Ltd.	-	"	-	25,620	-	25,620	-
	TSMC ARIZONA CORP	-	"	-	23,705	-	23,705	-
	UNITEDHEALTH GROUP INC	-	"	-	25,781	-	25,781	-
	BP CAP Market	-	"	-	30,856	-	30,856	-
	Citigroup Global Markets Holdings Inc	-	"	-	31,296	-	31,296	-
	BAC	-	"	-	22,048	-	22,048	-
	GS LCCN	-	"	-	15,925	-	15,925	-

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2026				Note
				Number of Shares/Units (In Thousands)	Carrying Amount	Percentage of Ownership (%)	Fair Value	
	HSBC Holdings PLC HSBA	-	Financial assets at fair value through other comprehensive income - non-current	-	\$ 15,925	-	\$ 15,925	-
	JPMorgan Chase & Co	-	"	-	15,636	-	15,636	-
	Saudi International	-	"	-	63,477	-	63,477	-
	PFIZER INVESTMENT	-	"	-	63,687	-	63,687	-
	Verizon	-	"	-	15,676	-	15,676	-
	BP CAP Market	-	"	-	57,542	-	57,542	-
	ELECTRICITE DE	-	"	-	32,656	-	32,656	-
	GOLDMAN SACHS	-	"	-	31,832	-	31,832	-
	MORGAN STANLEY	-	"	-	65,015	-	65,015	-
	BNP PARIBAS	-	"	-	59,111	-	59,111	-
	Mitsubishi UFJ	-	"	-	64,140	-	64,140	-
	UBS Group	-	"	-	65,463	-	65,463	-
	Cathaylife Singapore	-	"	-	31,611	-	31,611	-
	Lockheed Martin Corp.	-	"	-	23,750	-	23,750	-
	Philip Morris Internat. Inc.	-	"	-	23,250	-	23,250	-
	Republic of Chile	-	"	-	4,556	-	4,556	-
	<u>Unlisted shares/equity investment fund</u>							
	ACHI CAPITAL PARTNERS FUND L.P.	-	"	-	353,543	1.94	353,543	-
	Kandou AI Holding SA	-	"	-	31,850	0.28	31,850	-
	MatX Inc.	-	"	-	63,699	0.06	63,699	-
	Ayar Labs, Inc.	-	"	-	31,849	0.03	31,849	-
Alchip Shanghai	KQ (Shenzhen) Semiconductor & Technology Industry Equity Investment Fund	-	"	-	75,622	0.81	75,622	-
	KQ (Suzhou) Emerging Industry Venture Equity Investment Fund	-	"	-	150,978	2.62	150,978	-
Alchip TW	Uniconn Interconnections Technology Co., Ltd.	-	"	3,026	-	5.24	-	-
	Brillink Inc.	The Company is the director of Brillink Inc.	"	1,000	31,850	10.58	31,850	-

Note 1: For the information on investments in subsidiaries and associates, see Tables 4 and 5 for details.

Note 2: This table sets out the securities that the Company has determined to disclose in accordance with the principle of materiality.

(Concluded)

TABLE 3

ALCHIP TECHNOLOGIES, LIMITED AND SUBSIDIARIES

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE SIX MONTHS ENDED JUNE 30, 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 Alchip Shanghai	c c	Accounts receivable	\$ 34,302	Based on regular items	-
				Operating revenue	32,208	"	-
2	Alchip Hefei	Alchip Shanghai Alchip Shanghai	c c	Accounts receivable	24,785	"	-
				Operating revenue	23,271	"	-
3	Alchip Guangzhou	Alchip Shanghai Alchip Shanghai	c c	Accounts receivable	24,785	"	-
				Operating revenue	23,271	"	-
4	Alchip Jinan	Alchip Shanghai Alchip Shanghai	c c	Accounts receivable	35,072	"	-
				Operating revenue	32,931	"	-
5	Alchip Chongqing	Alchip Shanghai Alchip Shanghai	c c	Accounts receivable	19,828	"	-
				Operating revenue	18,620	"	-
6	Alchip USA	The Company	b	Operating revenue	26,558	"	-
7	Alchip MY	The Company	b	Operating revenue	14,007	"	-

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 June 30, 2026, while revenues, costs and expenses are shown as a percentage to consolidated revenues for the six months ended June 30, 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.

TABLE 4

ALCHIP TECHNOLOGIES, LIMITED AND SUBSIDIARIES

INFORMATION ON INVESTEEES
FOR THE SIX MONTHS ENDED JUNE 30, 2026
(Amounts in Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of June 30, 2026			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				June 30, 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	\$ 2,268,061	\$ 47,236	\$ 47,236	-
	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	(7,920)	(47,574)	(47,574)	-
	Alchip KK	Japan	Product technical support and consulting services	33,902 (JPY 100,000)	33,902 (JPY 100,000)	2	100.0	13,652	(100,741)	(100,741)	-
	Alchip TW	Taiwan	ASIC and SOC services	100	100	10	100.0	334,847	(17,661)	(17,661)	-
	Alchip BVI	Tortola, British Virgin Islands	Investments	2,476,041 (US\$ 77,500)	2,066,141 (US\$ 64,500)	77,500	100.0	2,730,798	19,507	19,507	-
	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	8,302	(10,773)	(10,773)	-
	AshAI Cayman	Cayman Islands	Investments	636,943 (US\$ 20,000)	-	52,500	98.0	633,141	(3,907)	(3,831)	Note 2
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 1	100.0	11,015	(10,277)	(10,277)	-
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	39,707	(113,971)	(20,172)	-
AshAI Cayman	AshAI USA	U.S.A.	Product technical support and consulting services	9,468 (US\$ 300)	-	300	100.0	5,619	(3,907)	(3,907)	Note 2

Note 1: Only the investment amount is displayed on the Company’s business license with no record of shares recorded.

Note 2: Both companies were established in March 2026 and commenced operations in June 2026 upon completion of capital injection.

Note 3: 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 SIX MONTHS ENDED JUNE 30, 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 June 30, 2026	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of June 30, 2026	Accumulated Repatriation of Investment Income as of June 30, 2026
					Outward	Inward						
Alchip Shanghai	Research and development, design, and sales of ASIC and SOC and rendering of related services	\$ 407,680 (US\$ 12,800) (RMB 102,392)	Note 1, b.	\$ 407,680 (US\$ 12,800)	\$ -	\$ -	\$ 407,680 (US\$ 12,800)	\$ 126,886	100	\$ 126,886 (Note 2, b.)	\$ 1,545,863	\$ -
Alchip Wuxi	Research and development, design, and sales of ASIC and SOC and rendering of related services	63,700 (US\$ 2,000) (RMB 12,482)	Note 1, b.	63,700 (US\$ 2,000)	-	-	63,700 (US\$ 2,000)	(23,590)	100	(23,590) (Note 2, b.)	244,363	-
Alchip Hefei	Research and development, design, and sales of ASIC and SOC and rendering of related services	15,925 (US\$ 500) (RMB 3,469)	Note 1, b.	15,925 (US\$ 500)	-	-	15,925 (US\$ 500)	(8,064)	100	(8,064) (Note 2, b.)	208,872	-
Alchip Jinan	Research and development, design, and sales of ASIC and SOC and rendering of related services	24,970 (US\$ 784) (RMB 5,031)	Note 1, b.	24,970 (US\$ 784)	-	-	24,970 (US\$ 784)	(22,342)	100	(22,342) (Note 2, b.)	126,723	-
Alchip Guangzhou	Research and development, design, and sales of ASIC and SOC and rendering of related services	50,960 (US\$ 1,600) (RMB 10,523)	Note 1, b.	50,960 (US\$ 1,600)	-	-	50,960 (US\$ 1,600)	(15,377)	100	(15,377) (Note 2, b.)	129,045	-
Chiptopia Shanghai	Software development and services, design, and sales of ASIC and SOC related services	48,454 (US\$ 1,521) (RMB 10,000)	Note 1, c.	(Note 3)	-	-	(Note 3)	(3,790)	65	(2,463) (Note 2, b.)	33,975	-
Alchip Chongqing	Research and development, design, and sales of ASIC and SOC and rendering of related services	24,689 (US\$ 775) (RMB 5,000)	Note 1, c.	(Note 4)	-	-	(Note 4)	(35,084)	100	(35,084) (Note 2, b.)	93,244	-
Accumulated Outward Remittance for Investments in Mainland China as of June 30, 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 audited by an international accounting firm cooperating with accounting firms in Taiwan.
 - 2) The financial statement is audited 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\$31.85 as of June 30, 2026.

(Concluded)