Alchip Technologies, Limited and Subsidiaries

Consolidated Financial Statements for the Years Ended December 31, 2025 and 2024 and Independent Auditors' Report

Deloitte.

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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 December 31, 2025 and 2024, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years 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 December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) 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 year ended December 31, 2025. 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 year ended December 31, 2025 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 December 31, 2025, the Group's inventory balance was NT$6,945,450 thousand (US$220,982 thousand), accounting for 12% 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 obsolescent 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 IFRS, IAS, IFRIC, and SIC 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 performance of the group audit. 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 year ended December 31, 2025, 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

March 6, 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
DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

	2025		2024	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Note 6)	$ 32,627,305	56	$ 27,044,210	54
Financial assets at fair value through other comprehensive income (Note 7)	162,896	-	15,936	-
Financial assets at amortized cost (Notes 8 and 28)	6,091,482	10	2,367,661	5
Trade receivables, net (Note 10)	2,635,623	5	5,729,833	11
Trade receivables due from related parties (Note 27)	375,087	1	-	-
Other receivables	242,823	-	408,040	1
Inventories (Note 11)	6,945,450	12	8,660,525	17
Prepayments (Notes 16 and 29)	3,630,886	6	1,651,686	3
Other current assets	345,495	1	305,987	1
Total current assets	53,057,047	91	46,183,878	92
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income (Note 7)	2,139,422	4	1,389,686	3
Financial assets at amortized cost (Notes 8 and 28)	-	-	91,216	-
Investments accounted for using the equity method (Note 27)	64,094	-	118,959	-
Property, plant and equipment (Note 13)	1,679,804	3	1,775,456	4
Right-of-use assets (Note 14)	295,902	1	233,131	-
Intangible assets (Note 15)	257,420	-	247,930	1
Deferred tax assets (Note 22)	439,688	1	168,603	-
Other non-current assets	105,355	-	100,496	-
Total non-current assets	4,981,685	9	4,125,477	8
TOTAL	$ 58,038,732	100	$ 50,309,355	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Contract liabilities (Note 20)	$ 12,020,884	21	$ 6,113,935	12
Trade payables	1,986,493	3	1,826,327	4
Other payables (Note 17)	2,052,031	4	1,682,797	3
Other payables to related parties (Note 27)	-	-	35,441	-
Current tax liabilities (Note 22)	757,613	1	898,373	2
Lease liabilities (Note 14)	115,478	-	75,430	-
Other current liabilities	42,226	-	39,386	-
Total current liabilities	16,974,725	29	10,671,689	21
NON-CURRENT LIABILITIES				
Deferred tax liabilities (Note 22)	7,650	-	6,116	-
Lease liabilities (Note 14)	209,762	1	131,900	1
Deferred revenue	22,358	-	22,804	-
Total non-current liabilities	239,770	1	160,820	1
Total liabilities	17,214,495	30	10,832,509	22
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 18 and 19)				
Share capital	812,836	1	806,485	2
Capital surplus	25,754,605	44	25,350,477	50
Retained earnings				
Special reserve	67,693	-	67,693	-
Unappropriated earnings	13,337,144	23	10,684,554	21
Total retained earnings	13,404,837	23	10,752,247	21
Other equity	832,866	2	2,546,513	5
Total equity attributable to owners of the Company	40,805,144	70	39,455,722	78
NON-CONTROLLING INTERESTS	19,093	-	21,124	-
Total equity	40,824,237	70	39,476,846	78
TOTAL	$ 58,038,732	100	$ 50,309,355	100

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

ALCHIP TECHNOLOGIES, LIMITED AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(In Thousands of U.S. Dollars)

	2025		2024	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Note 6)	$ 1,038,094	56	$ 824,896	54
Financial assets at fair value through other comprehensive income (Note 7)	5,183	-	486	-
Financial assets at amortized cost (Notes 8 and 28)	193,811	10	72,218	5
Trade receivables, net (Note 10)	83,857	5	174,770	11
Trade receivables due from related parties (Note 27)	11,934	1	-	-
Other receivables	7,726	-	12,446	1
Inventories (Note 11)	220,982	12	264,161	17
Prepayments (Notes 16 and 29)	115,523	6	50,379	3
Other current assets	10,993	1	9,333	1
Total current assets	1,688,103	91	1,408,689	92
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income (Note 7)	68,069	4	42,388	3
Financial assets at amortized cost (Notes 8 and 28)	-	-	2,782	-
Investments accounted for using the equity method (Note 27)	2,039	-	3,628	-
Property, plant and equipment (Note 13)	53,446	3	54,155	4
Right-of-use assets (Note 14)	9,415	1	7,111	-
Intangible assets (Note 15)	8,190	-	7,562	1
Deferred tax assets (Note 22)	13,989	1	5,143	-
Other non-current assets	3,353	-	3,065	-
Total non-current assets	158,501	9	125,834	8
TOTAL	$ 1,846,604	100	$ 1,534,523	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Contract liabilities (Note 20)	$ 382,465	21	$ 186,486	12
Trade payables	63,204	3	55,706	4
Other payables (Note 17)	65,289	4	51,328	3
Other payables to related parties (Note 27)	-	-	1,081	-
Current tax liabilities (Note 22)	24,105	1	27,402	2
Lease liabilities (Note 14)	3,674	-	2,301	-
Other current liabilities	1,343	-	1,201	-
Total current liabilities	540,080	29	325,505	21
NON-CURRENT LIABILITIES				
Deferred tax liabilities (Note 22)	243	-	187	-
Lease liabilities (Note 14)	6,674	1	4,023	1
Deferred revenue	712	-	695	-
Total non-current liabilities	7,629	1	4,905	1
Total liabilities	547,709	30	330,410	22
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 18 and 19)				
Share capital	26,018	1	25,815	1
Capital surplus	843,403	46	830,536	54
Retained earnings				
Special reserve	2,799	-	2,799	-
Unappropriated earnings	427,782	23	346,802	23
Total retained earnings	430,581	23	349,601	23
Other equity	(1,724)	-	(2,521)	-
Total equity attributable to owners of the Company	1,298,278	70	1,203,431	78
NON-CONTROLLING INTERESTS	617	-	682	-
Total equity	1,298,895	70	1,204,113	78
TOTAL	$ 1,846,604	100	$ 1,534,523	100

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

ALCHIP TECHNOLOGIES, LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars or U.S. Dollars, Except Earnings Per Share)

	2025			2024		
	USD	NTD	%	USD	NTD	%
OPERATING REVENUE (Notes 20 and 27)	$ 991,857	$ 30,926,092	100	$ 1,618,353	$ 51,968,570	100
OPERATING COSTS (Notes 11 and 21)	730,331	22,771,717	74	1,300,684	41,767,567	80
GROSS PROFIT	261,526	8,154,375	26	317,669	10,201,003	20
OPERATING EXPENSES (Notes 10, 21 and 27)						
Selling and marketing expenses	9,468	295,216	1	8,609	276,448	-
General and administrative expenses	20,345	634,357	2	30,814	989,501	2
Research and development expenses	58,726	1,831,066	6	66,700	2,141,874	4
Expected credit loss on trade receivables	12,087	376,888	1	9,243	296,813	1
Total operating expenses	100,626	3,137,527	10	115,366	3,704,636	7
PROFIT FROM OPERATIONS	160,900	5,016,848	16	202,303	6,496,367	13
NON-OPERATING INCOME AND EXPENSES (Note 21)						
Interest income	51,064	1,592,182	5	37,452	1,202,671	2
Other income	3,919	122,175	1	5,262	168,948	1
Other gains and losses	1,477	46,057	-	(651)	(20,916)	-
Finance costs	(287)	(8,952)	-	(280)	(8,980)	-
Share of loss of associates by the equity method	(1,530)	(47,698)	-	(912)	(29,279)	-
Expected credit loss	(19)	(594)	-	(21)	(664)	-
Total non-operating income and expenses	54,624	1,703,170	6	40,850	1,311,780	3
PROFIT BEFORE INCOME TAX	215,524	6,720,018	22	243,153	7,808,147	16
INCOME TAX EXPENSE (Note 22)	36,039	1,123,709	4	42,402	1,361,607	3
NET PROFIT FOR THE YEAR	179,485	5,596,309	18	200,751	6,446,540	13
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	52	1,627	-	(3,619)	(116,218)	-
Exchange differences on translation to the presentation currency	-	(1,738,498)	(5)	-	1,945,441	4
Items that may be reclassified subsequently to profit or loss:						
Exchange differences on translation of the financial statements of foreign operations	25	768	-	(383)	(12,305)	-
Unrealized gain (loss) on investments in debt instruments at fair value through other comprehensive income	720	22,456	-	97	3,128	-
Other comprehensive income (loss) for the year, net of income tax	797	(1,713,647)	(5)	(3,905)	1,820,046	4
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 180,282	$ 3,882,662	13	$ 196,846	$ 8,266,586	17
NET PROFIT (LOSS) ATTRIBUTABLE TO						
Owners of the Company	$ 179,550	$ 5,598,340	18	$ 200,726	$ 6,445,719	13
Non-controlling interests	(65)	(2,031)	-	25	821	-
	$ 179,485	$ 5,596,309	18	$ 200,751	$ 6,446,540	13

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ALCHIP TECHNOLOGIES, LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars or U.S. Dollars, Except Earnings Per Share)

	2025			2024		
	USD	NTD	%	USD	NTD	%
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO						
Owners of the Company	$ 180,347	$ 3,884,693	13	$ 196,821	$ 8,265,765	17
Non-controlling interests	(65)	(2,031)	-	25	821	-
	$ 180,282	$ 3,882,662	13	$ 196,846	$ 8,266,586	17
EARNINGS PER SHARE (Note 23)						
Basic	$ 2.22	$ 69.18		$ 2.53	$ 81.34	
Diluted	$ 2.17	$ 67.51		$ 2.45	$ 78.83	

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

ALCHIP TECHNOLOGIES, LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company												
		Capital Surplus				Retained Earnings			Other Equity				
	Share Capital	Share Premium	Share Options	Other	Total	Special Reserve	Unappropriated Earnings	Total	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2024	$ 743,187	$ 9,555,301	$ 864,395	$ -	$ 10,419,696	$ 67,693	$ 6,057,071	$ 6,124,764	$ 659,382	$ 67,085	$ 18,014,114	$ 20,303	$ 18,034,417
Appropriation of 2023's earnings													
Cash dividends	-	-	-	-	-	-	(1,818,236)	(1,818,236)	-	-	(1,818,236)	-	(1,818,236)
Issuance of ordinary shares in the form of sponsored Global Depositary Receipts	37,000	12,782,410	-	-	12,782,410	-	-	-	-	-	12,819,410	-	12,819,410
Issuance of ordinary shares by private placement	8,245	1,502,802	-	-	1,502,802	-	-	-	-	-	1,511,047	-	1,511,047
Share-based payments	-	-	203,537	-	203,537	-	-	-	-	-	203,537	-	203,537
Issuance of ordinary shares under the employee share options	18,053	671,691	(249,354)	-	422,337	-	-	-	-	-	440,390	-	440,390
Net profit for the year ended December 31, 2024	-	-	-	-	-	-	6,445,719	6,445,719	-	-	6,445,719	821	6,446,540
Other comprehensive income (loss) for the year ended December 31, 2024, net of income tax	-	-	-	-	-	-	-	-	1,933,136	(113,090)	1,820,046	-	1,820,046
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	-	-	6,445,719	6,445,719	1,933,136	(113,090)	8,265,765	821	8,266,586
Changes in capital surplus from investments in associates accounted for using the equity method	-	-	-	19,695	19,695	-	-	-	-	-	19,695	-	19,695
BALANCE AT DECEMBER 31, 2024	806,485	24,512,204	818,578	19,695	25,350,477	67,693	10,684,554	10,752,247	2,592,518	(46,005)	39,455,722	21,124	39,476,846
Appropriation of 2024's earnings													
Cash dividends	-	-	-	-	-	-	(2,945,750)	(2,945,750)	-	-	(2,945,750)	-	(2,945,750)
Share-based payments	-	-	79,507	-	79,507	-	-	-	-	-	79,507	-	79,507
Issuance of ordinary shares under the employee share options	6,351	531,355	(204,837)	-	326,518	-	-	-	-	-	332,869	-	332,869
Net profit (loss) for the year ended December 31, 2025	-	-	-	-	-	-	5,598,340	5,598,340	-	-	5,598,340	(2,031)	5,596,309
Other comprehensive income (loss) for the year ended December 31, 2025, net of income tax	-	-	-	-	-	-	-	-	(1,737,730)	24,083	(1,713,647)	-	(1,713,647)
Total comprehensive income (loss) for the year ended December 31, 2025	-	-	-	-	-	-	5,598,340	5,598,340	(1,737,730)	24,083	3,884,693	(2,031)	3,882,662
Changes in capital surplus from investments in associates accounted for using the equity method	-	-	-	(1,897)	(1,897)	-	-	-	-	-	(1,897)	-	(1,897)
BALANCE AT DECEMBER 31, 2025	$ 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

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

ALCHIP TECHNOLOGIES, LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of U.S. Dollars)

	Equity Attributable to Owners of the Company												
		Capital Surplus				Retained Earnings			Other Equity				
	Share Capital	Share Premium	Share Options	Other	Total	Special Reserve	Unappropriated Earnings	Total	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2024	$ 23,814	$ 328,712	$ 27,603	$ -	$ 356,315	$ 2,799	$ 202,377	$ 205,176	$ (910)	$ 2,294	$ 586,689	$ 657	$ 587,346
Appropriation of 2023's earnings													
Cash dividends	-	-	-	-	-	-	(56,301)	(56,301)	-	-	(56,301)	-	(56,301)
Issuance of ordinary shares in the form of sponsored Global Depositary Receipts	1,179	407,317	-	-	407,317	-	-	-	-	-	408,496	-	408,496
Issuance of ordinary shares by private placement	257	46,711	-	-	46,711	-	-	-	-	-	46,968	-	46,968
Share-based payments	-	-	6,338	-	6,338	-	-	-	-	-	6,338	-	6,338
Issuance of ordinary shares under the employee share options	565	21,594	(8,356)	-	13,238	-	-	-	-	-	13,803	-	13,803
Net profit for the year ended December 31, 2024	-	-	-	-	-	-	200,726	200,726	-	-	200,726	25	200,751
Other comprehensive income (loss) for the year ended December 31, 2024, net of income tax	-	-	-	-	-	-	-	-	(383)	(3,522)	(3,905)	-	(3,905)
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	-	-	200,726	200,726	(383)	(3,522)	196,821	25	196,846
Changes in capital surplus from investments in associates accounted for using the equity method	-	-	-	617	617	-	-	-	-	-	617	-	617
BALANCE AT DECEMBER 31, 2024	25,815	804,334	25,585	617	830,536	2,799	346,802	349,601	(1,293)	(1,228)	1,203,431	682	1,204,113
Appropriation of 2024's earnings													
Cash dividends	-	-	-	-	-	-	(98,570)	(98,570)	-	-	(98,570)	-	(98,570)
Share-based payments	-	-	2,550	-	2,550	-	-	-	-	-	2,550	-	2,550
Issuance of ordinary shares under the employee share options	203	17,064	(6,688)	-	10,376	-	-	-	-	-	10,579	-	10,579
Net profit (loss) for the year ended December 31, 2025	-	-	-	-	-	-	179,550	179,550	-	-	179,550	(65)	179,485
Other comprehensive income for the year ended December 31, 2025, net of income tax	-	-	-	-	-	-	-	-	25	772	797	-	797
Total comprehensive income (loss) for the year ended December 31, 2025	-	-	-	-	-	-	179,550	179,550	25	772	180,347	(65)	180,282
Changes in capital surplus from investments in associates accounted for using the equity method	-	-	-	(59)	(59)	-	-	-	-	-	(59)	-	(59)
BALANCE AT DECEMBER 31, 2025	$ 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

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

ALCHIP TECHNOLOGIES, LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars or U.S. Dollars)

	2025		2024	
	USD	NTD	USD	NTD
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax	$ 215,524	$ 6,720,018	$ 243,153	$ 7,808,147
Adjustments for:				
Depreciation and amortization	98,157	3,060,509	82,324	2,643,588
Expected credit loss	12,106	377,482	9,264	297,477
Finance costs	287	8,952	280	8,980
Interest income	(51,064)	(1,592,182)	(37,452)	(1,202,671)
Share-based compensation	2,550	79,507	6,338	203,537
Share of loss of associates by the equity method	1,530	47,698	912	29,279
Loss on disposal of equipment	24	756	90	2,881
Profit on lease modification	-	(4)	-	-
Loss (gain) on disposal of financial assets	1	38	(10)	(311)
Write-down (reversal) of inventories	32,039	998,991	(716)	(22,983)
Net unrealized loss (gain) on foreign currency exchange	669	24,825	(777)	(24,856)
Amortization of prepayments	10,065	313,832	10,061	323,081
Net changes in operating assets and liabilities				
Trade receivables	78,713	2,454,275	(104,653)	(3,360,625)
Trade receivable to related parties	(11,934)	(372,104)	-	-
Other receivables	9,057	282,382	(5,638)	(181,060)
Inventories	11,140	347,352	114,800	3,686,426
Prepayments	(73,806)	(2,301,283)	(29,130)	(935,410)
Other current assets	(1,660)	(51,740)	(3,246)	(104,244)
Contract liabilities	195,979	6,110,642	(152,474)	(4,896,261)
Trade payables	7,499	233,806	(7,066)	(226,904)
Other payables	2,431	71,852	17,670	567,373
Other payables to related parties	(1,081)	(33,706)	1,081	34,713
Other current liabilities	142	4,432	(335)	(10,727)
Deferred revenue	17	492	(933)	(29,943)
Net cash generated from operations	538,385	16,786,822	143,543	4,609,487
Interest paid	(287)	(8,952)	(280)	(8,980)
Income tax paid	(48,305)	(1,506,161)	(38,696)	(1,242,624)
Net cash generated from operating activities	489,793	15,271,709	104,567	3,357,883
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of financial assets at fair value through other comprehensive income	(31,695)	(988,271)	(32,677)	(1,049,310)
Proceeds from sale of financial assets at fair value through other comprehensive income	1,900	59,242	3,000	96,336
Purchase of financial assets at amortized cost	(334,959)	(10,444,021)	(117,256)	(3,765,310)
Proceeds from sale of financial assets at amortized cost	216,251	6,742,699	171,682	5,513,044
Acquisition of investments accounted for using the equity method	-	-	(2,100)	(67,001)
Payments for purchase of equipment	(73,350)	(2,287,050)	(62,224)	(1,998,155)

(Continued)

ALCHIP TECHNOLOGIES, LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars or U.S. Dollars)

	2025		2024	
	USD	NTD	USD	NTD
Proceeds from disposal of equipment	$ 6	$ 198	$ 26	$ 832
Payments for refundable deposits	(589)	(18,368)	(165)	(5,283)
Inward of refundable deposits	239	7,464	108	3,484
Payments for purchase of intangible assets	(11,779)	(367,250)	(19,147)	(614,898)
Interest received	47,062	1,467,388	37,674	1,209,798
Net cash used in investing activities	(186,914)	(5,827,969)	(21,079)	(676,463)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issuance of ordinary shares in the form of sponsored Global Depositary Receipts	-	-	408,496	12,819,410
Proceeds from issuance of ordinary shares by private placement	-	-	46,968	1,511,047
Repayment of the principal portion of lease liabilities	(1,291)	(40,240)	(3,038)	(97,571)
Dividends paid to owners of the Company	(98,570)	(2,945,750)	(56,301)	(1,818,236)
Proceeds from exercise of employee share options	10,579	332,869	13,803	440,390
Net cash (used in) generated from financing activities	(89,282)	(2,653,121)	409,928	12,855,040
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	(399)	(1,207,524)	604	1,348,194
NET INCREASE IN CASH AND CASH EQUIVALENTS	213,198	5,583,095	494,020	16,884,654
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	824,896	27,044,210	330,876	10,159,556
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 1,038,094	$ 32,627,305	$ 824,896	$ 27,044,210

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

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 March 6, 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 material impact on the Group's accounting policies:

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

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"	January 1, 2026
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026

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

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

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027 (Note 2)
IFRS 19 "Subsidiaries without Public Accountability: Disclosures" (including the 2025 amendments to IFRS 19)	January 1, 2027
Amendments to IAS 21 "Translation to a Hyperinflationary Presentation Currency"	January 1, 2027

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

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

IFRS 18 "Presentation and Disclosure in Financial Statements" and consequential amendments

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

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

- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.

- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as "other" only if it cannot find a more informative label.

- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management's view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

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

- The Group shall use operating profit or loss as the starting point when presenting cash flows from operating activities under the indirect method.

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

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the other 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

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRS Accounting Standards as endorsed and issued into effect by the FSC.

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. Classification of current and non-current assets and liabilities

Current assets include:

- Assets held primarily for the purpose of trading;

- Assets expected to be realized within 12 months after the reporting period; and

- Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- Liabilities held primarily for the purpose of trading;
- Liabilities due to be settled within 12 months after the reporting period; and
- Liabilities for which the Group does not have the substantial right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

d. 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 5 and Table 6 for detailed information on subsidiaries, including percentages of ownership and main businesses.

e. Foreign currencies

In preparing the financial statements of each individual entity, transactions in currencies other than the entity's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated at the rates prevailing at the date when the fair value is determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income; in which cases, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary item denominated in a foreign currency and measured at historical cost is stated at the reporting currency as originally translated from the foreign currency.

For the purposes of presenting consolidated financial statements, the financial statements of the Company and its foreign operations (including subsidiaries, associates and branches in other countries) that are prepared using functional currencies which are different from the currency of the Company are translated into the presentation currency, the New Taiwan dollars, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income. The exchange differences accumulated in equity, which resulted from the translation of the assets and liabilities of the entities in the Group from functional currencies to the presentation currency, are not subsequently reclassified to profit or loss.

f. Inventories

Inventories consist of raw materials, supplies, finished goods and work in progress and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at the weighted-average cost on the balance sheet date.

g. Investments in associates

An associate is an entity over which the Group has significant influence and which is neither a subsidiary nor an interest in a joint venture.

Group uses the equity method to account for its investments in associates.

Under the equity method, investments in an associate are initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate.

When the Company subscribes for additional new shares of an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group's proportionate interest in the associate. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in capital surplus from investments in associates accounted for using the equity method and investments accounted for using the equity method. If the Group's ownership interest is reduced due to its additional subscription of the new shares of the associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required had the investee directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

When the Group's share of losses of an associate equals or exceeds its interest in that associate, the Group discontinues recognizing its share of further loss, if any. Additional losses and liabilities are recognized only to the extent that the Group has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

The entire carrying amount of an investment is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

When the Group transacts with its associates, profits and losses resulting from the transactions with the associates are recognized in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

h. Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

The depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

i. Intangible assets

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis.

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

j. Impairment of property, plant and equipment, right-of-use assets, intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss.

If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the smallest group of cash-generating units on a reasonable and consistent basis of allocation.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset, cash-generating unit or assets related to contract costs is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined, net of amortization or depreciation, had no impairment loss been recognized on the asset, cash-generating unit or assets related to contract costs in prior years. A reversal of an impairment loss is recognized in profit or loss.

k. Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments.

Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement categories

Financial assets are classified into the following categories: Financial assets at amortized cost and investments in debt instruments and equity instruments at fair value through other comprehensive income (FVTOCI).

i. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

i) The financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii) The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, trade receivables (including related parties), other receivables, pledged time deposits and refundable deposits, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Cash equivalents with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

ii. Investments in debt instruments at FVTOCI

Debt instruments that meet the following conditions are subsequently measured at FVTOCI:

i) The debt instrument is held within a business model whose objective is achieved by both the collecting of contractual cash flows and the selling of such financial assets; and

ii) The contractual terms of the debt instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investments in debt instruments at FVTOCI are subsequently measured at fair value. Changes in the carrying amounts of these debt instruments relating to changes in foreign currency exchange rates, interest income calculated using the effective interest method and impairment losses or reversals are recognized in profit or loss. Other changes in the carrying amount of these debt instruments are recognized in other comprehensive income and will be reclassified to profit or loss when the investment is disposed of.

iii. Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables), investments in debt instruments that are measured at FVTOCI.

The Group always recognizes lifetime expected credit losses (ECLs) for trade receivables. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For internal credit risk management purposes, the Group considers the following situations as indication that a financial asset is in default (without taking into account any collateral held by the Group):

i. Internal or external information shows that the debtor is unlikely to pay its creditors.

ii. Financial asset is more than 271 days past due unless the Group has reasonable and corroborative information to support an extended default criterion.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and the carrying amounts of such financial assets are not reduced.

c) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in a debt instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss which had been recognized in other comprehensive income is recognized in profit or loss. However, on derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Equity instruments

Equity instruments issued by the Group are classified as equity in accordance with the substance of the contractual arrangements and the definitions of equity.

Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Company's equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Company's equity instruments.

3) Financial liabilities

a) Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method.

b) Derecognition of financial liabilities

The difference between the carrying amount of a financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

l. Revenue recognition

The Group identifies contracts with customers, recognizes revenue when performance obligations are satisfied.

1) Revenue from the sale of goods

Revenue from the sale of goods comes from sales of integrated circuit products. The Group recognizes revenue and accounts receivable when performance obligation is satisfied and promised goods are shipped or delivered to the customer's specified location depending on commercial terms, where customer obtains control of goods.

2) Revenue from non-recurring engineering (NRE) service

The Group provides NRE service which does not create an asset with alternative use, and the Group has an enforceable right to payment for the performance completed to date. Revenue is recognized over time based on the achievement of milestones that measure the completion of the contract.

m. Leases

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for by applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee's incremental borrowing rate will be used.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms.

When there is a change in a lease term used to determine those payments, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss.

Lease liabilities are presented on a separate line in the consolidated balance sheets.

n. Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Government grants related to income are recognized in profit or loss in the period on a systematic basis over the periods in which the Group recognizes as expenses the related costs that the grants intend to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognized as deferred revenue and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as reimbursement for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they are received.

o. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as expenses when employees have rendered services entitling them to the contributions.

p. Share-based payment arrangements

The fair value at the grant date of the employee share options is expensed on a straight-line basis over the vesting period, based on the Group's best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in capital surplus - employee share options. The expense is recognized in full at the grant date if the grants are vested immediately.

At the end of each reporting period, the Group revises its estimate of the number of employee share options that are expected to vest. The impact of the revision of the original estimates is recognized in profit or loss such that the cumulative expenses reflect the revised estimate, with a corresponding adjustment to capital surplus - employee share options.

When the Group modifies the contract terms and conditions of the grant of equity instruments, it shall recognize the amount of the increase in the total fair value or the beneficial impact on employees due to the modification of the share-based payment agreement. If the modification belongs to shorten the vesting period, the expense shall be recognized according to the modified vested conditions.

q. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Act in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, unused loss carryforwards to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred taxes

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity; in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

Impairment of inventories

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

6. CASH AND CASH EQUIVALENTS

	December 31	
	2025	**2024**
NTD		
Demand deposits	$ 24,914,317	$ 20,616,900
Cash equivalents (time deposits with original maturities of 3 months or less)	7,706,192	6,419,978
Checking accounts	6,660	6,987
Petty cash	136	345
	$ 32,627,305	$ 27,044,210
USD		
Demand deposits	$ 792,692	$ 628,851
Cash equivalents (time deposits with original maturities of 3 months or less)	245,186	195,821
Checking accounts	212	213
Petty cash	4	11
	$ 1,038,094	$ 824,896

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31	
	2025	2024
NTD		
Investment in debt instruments (a)	$ 1,837,535	$ 1,106,998
Investment in equity instruments (b)	464,783	298,624
	$ 2,302,318	$ 1,405,622
Current	$ 162,896	$ 15,936
Non-current	2,139,422	1,389,686
	$ 2,302,318	$ 1,405,622
USD		
Investment in debt instruments (a)	$ 58,464	$ 33,765
Investment in equity instruments (b)	14,788	9,109
	$ 73,252	$ 42,874
Current	$ 5,183	$ 486
Non-current	68,069	42,388
	$ 73,252	$ 42,874

a. Bonds investments

The Group's investment in debt instruments primarily consist of investments in overseas corporate bonds. For detailed information of Bond, please refer to Table 1. 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. Equity investments

	December 31	
	2025	2024
NTD		
Non-current		
Domestic investments		
Unlisted shares	$ 31,430	$ 10,123
Foreign investments		
Equity investment fund	433,353	288,501
	$ 464,783	$ 298,624

(Continued)

	December 31	
	2025	2024
USD		
Non-current		
Domestic investments		
Unlisted shares	$ 1,000	$ 309
Foreign investments		
Equity investment fund	13,788	8,800
	$ 14,788	$ 9,109

(Concluded)

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

8. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2025	2024
NTD		
Time deposits with original maturities of more than 3 months	$ 6,061,133	$ 2,428,787
Pledged time deposits (Note 28)	30,349	30,090
	$ 6,091,482	$ 2,458,877
Current	$ 6,091,482	$ 2,367,661
Non-current	-	91,216
	$ 6,091,482	$ 2,458,877
USD		
Time deposits with original maturities of more than 3 months	$ 192,845	$ 74,082
Pledged time deposits (Note 28)	966	918
	$ 193,811	$ 75,000
Current	$ 193,811	$ 72,218
Non-current	-	2,782
	$ 193,811	$ 75,000

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:

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	(1,271)	(40)	-	-
Amortized cost	1,814,623	57,736	$ 6,091,482	$ 193,811
Adjustment to fair value	22,912	728		
	$ 1,837,535	$ 58,464		

December 31, 2024

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

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:

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	-	-	-	-	-

December 31, 2024

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

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
NTD			
Balance at January 1, 2025	$ 741	$ -	$ -
New debt instruments purchased	594	-	-
Derecognition	(37)	-	-
Change in exchange rates or others	(27)	-	-
Balance at December 31, 2025	$ 1,271	$ -	$ -
Balance at January 1, 2024	$ 357	$ -	$ 69,481
New debt instruments purchased	664	-	-
Derecognition	(311)	-	(72,664)
Change in exchange rates or others	31	-	3,183
Balance at December 31, 2024	$ 741	$ -	$ -

(Continued)

	Credit Rating		
	Performing	Doubtful	In Default
USD			
Balance at January 1, 2025	$ 22	$ -	$ -
New debt instruments purchased	19	-	-
Derecognition	(1)	-	-
Balance at December 31, 2025	$ 40	$ -	$ -
Balance at January 1, 2024	$ 11	$ -	$ 2,263
New debt instruments purchased	21	-	-
Derecognition	(10)	-	(2,263)
Balance at December 31, 2024	$ 22	$ -	$ -

(Concluded)

10. TRADE RECEIVABLES

	December 31	
	2025	2024
NTD		
At amortized cost		
Gross carrying amount	$ 3,804,685	$ 6,553,007
Less: Allowance for impairment loss	(1,169,062)	(823,174)
	$ 2,635,623	$ 5,729,833
USD		
At amortized cost		
Gross carrying amount	$ 121,052	$ 199,878
Less: Allowance for impairment loss	(37,195)	(25,108)
	$ 83,857	$ 174,770

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

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

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

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

	December 31	
	2025	**2024**
NTD		
Past due within 60 days	$ 2,355,498	$ 5,097,925
Past due 61-120 days	93,881	306,185
Past due over 121 days	1,355,306	1,148,897
	$ 3,804,685	$ 6,553,007
USD		
Past due within 60 days	$ 74,944	$ 155,496
Past due 61-120 days	2,987	9,339
Past due over 121 days	43,121	35,043
	$ 121,052	$ 199,878

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

	For the Year Ended December 31	
	2025	**2024**
NTD		
Balance at January 1	$ 823,174	$ 487,141
Net remeasurement of loss allowance	376,888	296,813
Foreign exchange gains and losses	(31,000)	39,220
Balance at December 31	$ 1,169,062	$ 823,174
USD		
Balance at January 1	$ 25,108	$ 15,865
Net remeasurement of loss allowance	12,087	9,243
Balance at December 31	$ 37,195	$ 25,108

11. INVENTORIES

	December 31	
	2025	2024
NTD		
Finished goods	$ 356,754	$ 2,291,037
Work in progress	6,588,172	5,563,678
Raw materials	524	805,810
	$ 6,945,450	$ 8,660,525
USD		
Finished goods	$ 11,351	$ 69,881
Work in progress	209,614	169,701
Raw materials	17	24,579
	$ 220,982	$ 264,161

The cost of integrated circuit recognized as cost of goods sold for the years ended December 31, 2025 and 2024 were NT$20,295,393 thousand (US$650,911 thousand) and NT$40,153,924 thousand (US$1,250,434 thousand), respectively.

The cost of goods sold included a write-down of inventory of NT$998,991 thousand (US$32,039 thousand) and a reversal of inventory write-down of NT$22,983 thousand (US$716 thousand) for the years ended December 31, 2025 and 2024, respectively.

12. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

Investor	Investee	Nature of Activities	Proportion of Ownership (%) December 31 2025	Proportion of Ownership (%) December 31 2024	Remark
The Company	Alchip Technologies, Limited (registered in Hong Kong) (referred to as "Alchip HK")	Investments	100	100	-
	AlChip Technologies, Inc. (registered in the U.S.A.) (referred to as "Alchip USA")	Product technical support and consulting services.	100	100	-
	Alchip Technologies, KK (registered in Japan) (referred to as "Alchip KK")	Product technical support and consulting services.	100	100	-
	Alchip Technologies, Inc. (registered in Taiwan) (referred to as "Alchip TW")	Sales of ASIC and SOC.	100	100	-
	Alchip Investment, Inc. (registered in the British Virgin Islands) (referred to as "Alchip BVI")	Investments	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	-
Alchip HK	Alchip Technologies (Shanghai) (registered in China) (referred to as "Alchip Shanghai")	Research and development, design, and sales of ASIC and SOC and rendering of related services.	100	100	-
	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	-

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership (%) December 31 2025	Proportion of Ownership (%) December 31 2024	Remark
	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	-
	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	-
	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	-
	Alchip Technologies (Vietnam) Company Limited (registered in Vietnam) (referred to as "Alchip VN")	Research and development, design, and sales of ASIC and SOC and rendering of related services.	100	100	Note
Alchip Guangzhou	Chiptopia (Shanghai) Technology Co., Ltd (registered in China) (referred to as "Chiptopia Shanghai")	Software development, design and service, and sales of ASIC and SOC and rendering of related services.	65	65	-
Alchip Shanghai	Alchip Technologies (Chongqing) (registered in China) (referred to as "Alchip Chongqing")	Research and development, design, and sales of ASIC and SOC and rendering of related services.	100	100	-

(Concluded)

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

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

13. PROPERTY, PLANT AND EQUIPMENT

	Machinery Equipment	Computer Equipment	Office Equipment	Leasehold Improvements	Transportation Equipment	Total
NTD						
Cost						
Balance at January 1, 2024	$ 8,307,365	$ 317,249	$ 26,435	$ 55,806	$ 6,973	$ 8,713,828
Additions	2,120,371	16,660	2,264	-	2,159	2,141,454
Disposals and retirements	-	(38,616)	(440)	-	(2,999)	(42,055)
Reclassified	421,399	-	-	-	-	421,399
Effects of foreign currency exchange differences	616,023	20,856	1,142	3,780	454	642,255
Balance at December 31, 2024	$ 11,465,158	$ 316,149	$ 29,401	$ 59,586	$ 6,587	$ 11,876,881
Accumulated depreciation						
Balance at January 1, 2024	$ (7,243,173)	$ (233,263)	$ (19,108)	$ (51,567)	$ (6,276)	$ (7,553,387)
Depreciation expense	(1,984,696)	(42,404)	(2,152)	(3,645)	(454)	(2,033,351)
Disposals and retirements	-	35,218	425	-	2,699	38,342
Effects of foreign currency exchange differences	(532,256)	(15,801)	(1,025)	(3,569)	(378)	(553,029)
Balance at December 31, 2024	$ (9,760,125)	$ (256,250)	$ (21,860)	$ (58,781)	$ (4,409)	$(10,101,425)
Carrying amount at December 31, 2024	$ 1,705,033	$ 59,899	$ 7,541	$ 805	$ 2,178	$ 1,775,456
Cost						
Balance at January 1, 2025	$ 11,465,158	$ 316,149	$ 29,401	$ 59,586	$ 6,587	$ 11,876,881
Additions	2,577,574	19,017	9,668	27,746	-	2,634,005
Disposals and retirements	-	(3,265)	(4,555)	-	-	(7,820)
Reclassified	-	-	-	-	-	-
Effects of foreign currency exchange differences	(453,186)	(12,857)	(1,594)	(2,240)	(272)	(470,149)
Balance at December 31, 2025	$ 13,589,546	$ 319,044	$ 32,920	$ 85,092	$ 6,315	$ 14,032,917

(Continued)

	Machinery Equipment	Computer Equipment	Office Equipment	Leasehold Improvements	Transportation Equipment	Total
Accumulated depreciation						
Balance at January 1, 2025	$ (9,760,125)	$ (256,250)	$ (21,860)	$ (58,781)	$ (4,409)	$(10,101,425)
Depreciation expense	(2,618,534)	(31,778)	(1,782)	(2,083)	(662)	(2,654,839)
Disposals and retirements	-	2,965	3,901	-	-	6,866
Effects of foreign currency exchange differences	382,387	10,352	956	2,413	177	396,285
Balance at December 31, 2025	$(11,996,272)	$ (274,711)	$ (18,785)	$ (58,451)	$ (4,894)	$(12,353,113)
Carrying amount at December 31, 2025	$ 1,593,274	$ 44,333	$ 14,135	$ 26,641	$ 1,421	$ 1,679,804
USD						
Cost						
Balance at January 1, 2024	$ 270,554	$ 10,332	$ 862	$ 1,817	$ 227	$ 283,792
Additions	66,030	519	71	-	67	66,687
Disposals and retirements	-	(1,203)	(14)	-	(93)	(1,310)
Reclassified	13,123	-	-	-	-	13,123
Effects of foreign currency exchange differences	-	(4)	(19)	-	-	(23)
Balance at December 31, 2024	$ 349,707	$ 9,644	$ 900	$ 1,817	$ 201	$ 362,269
Accumulated depreciation						
Balance at January 1, 2024	$ (235,897)	$ (7,597)	$ (622)	$ (1,679)	$ (204)	$ (245,999)
Depreciation expense	(61,805)	(1,321)	(68)	(113)	(14)	(63,321)
Disposals and retirements	-	1,097	13	-	84	1,194
Effects of foreign currency exchange differences	-	4	9	(1)	-	12
Balance at December 31, 2024	$ (297,702)	$ (7,817)	$ (668)	$ (1,793)	$ (134)	$ (308,114)
Carrying amount at December 31, 2024	$ 52,005	$ 1,827	$ 232	$ 24	$ 67	$ 54,155
Cost						
Balance at January 1, 2025	$ 349,707	$ 9,644	$ 900	$ 1,817	$ 201	$ 362,269
Additions	82,667	610	310	890	-	84,477
Disposals and retirements	-	(105)	(145)	-	-	(250)
Reclassified	-	-	-	-	-	-
Effects of foreign currency exchange differences	-	4	(14)	-	-	(10)
Balance at December 31, 2025	$ 432,374	$ 10,153	$ 1,051	$ 2,707	$ 201	$ 446,486
Accumulated depreciation						
Balance at January 1, 2025	$ (297,702)	$ (7,817)	$ (668)	$ (1,793)	$ (134)	$ (308,114)
Depreciation expense	(83,981)	(1,020)	(57)	(67)	(21)	(85,146)
Disposals and retirements	-	95	125	-	-	220
Effects of foreign currency exchange differences	-	-	1	-	(1)	-
Balance at December 31, 2025	$ (381,683)	$ (8,742)	$ (599)	$ (1,860)	$ (156)	$ (393,040)
Carrying amount at December 31, 2025	$ 50,691	$ 1,411	$ 452	$ 847	$ 45	$ 53,446

(Concluded)

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

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

14. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31			
	2025		2024	
	NTD	USD	NTD	USD
Carrying amounts				
Buildings	$ 193,027	$ 6,141	$ 81,663	$ 2,491
Machinery equipment	102,875	3,274	151,468	4,620
	$ 295,902	$ 9,415	$ 233,131	$ 7,111

	For the Year Ended December 31			
	2025		2024	
	NTD	USD	NTD	USD
Additions to right-of-use assets	$ 152,206	$ 5,261	$ 62,375	$ 1,968
Depreciation charge for right-of-use assets				
Buildings	$ 48,705	$ 1,562	$ 54,580	$ 1,700
Machinery equipment	39,969	1,282	41,402	1,289
	$ 88,674	$ 2,844	$ 95,982	$ 2,989

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 years ended December 31, 2025 and 2024.

b. Lease liabilities

	December 31			
	2025		2024	
	NTD	USD	NTD	USD
Carrying amounts				
Current	$ 115,478	$ 3,674	$ 75,430	$ 2,301
Non-current	$ 209,762	$ 6,674	$ 131,900	$ 4,023

Range of discount rates for lease liabilities was as follows:

	December 31	
	2025	2024
Buildings	0.98%-6.70%	0.98%-4.90%
Machinery equipment	4.20%	4.20%

c. Material leasing activities and terms

The Group leases certain buildings for office with lease terms of 1.25 to 10 years. The Group does not have bargain purchase option to acquire the buildings at the end of the lease terms. In addition, the Group leases servers for product testing and research and development activities with a lease term of 5 years. The lease contract also stipulates that the Group is prohibited from subleasing all or any portion of the underlying assets without the lessor's consent.

Except for the newly leased office, the Group did not enter into any other significant lease contracts for the years ended December 31, 2025 and 2024.

d. Other lease information

	For the Year Ended December 31			
	2025		2024	
	NTD	USD	NTD	USD
Expenses relating to short-term leases	$ 15,059	$ 483	$ 12,435	$ 387
Expenses relating to low-value asset leases	$ 27	$ 1	$ 30	$ 1
Expenses relating to variable lease payments not included in the measurement of lease liabilities	$ 18,007	$ 578	$ 45,734	$ 1,424
Total cash outflow for leases	$ (82,285)	$ (2,640)	$ (164,750)	$ (5,130)

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

	December 31			
	2025		2024	
	NTD	USD	NTD	USD
Lease commitments	$ 354,760	$ 11,287	$ 230,469	$ 7,030

15. INTANGIBLE ASSETS

NTD	Silicon Intellectual Property (SIP)	Software Cost	Total
Cost			
Balance at January 1, 2024	$ 3,333,788	$ 36,340	$ 3,370,128
Additions	321,659	3,907	325,566
Effect of foreign currency exchange differences	222,674	2,544	225,218
Balance at December 31, 2024	$ 3,878,121	$ 42,791	$ 3,920,912
Accumulated amortization			
Balance at January 1, 2024	$ (2,928,578)	$ (27,893)	$ (2,956,471)
Amortization expense	(509,359)	(4,896)	(514,255)
Effect of foreign currency exchange differences	(200,264)	(1,992)	(202,256)
Balance at December 31, 2024	$ (3,638,201)	$ (34,781)	$ (3,672,982)
Carrying amount at December 31, 2024	$ 239,920	$ 8,010	$ 247,930
Cost			
Balance at January 1, 2025	$ 3,878,121	$ 42,791	$ 3,920,912
Additions	333,492	3,301	336,793
Effect of foreign currency exchange differences	(158,164)	(1,743)	(159,907)
Balance at December 31, 2025	$ 4,053,449	$ 44,349	$ 4,097,798
Accumulated amortization			
Balance at January 1, 2025	$ (3,638,201)	$ (34,781)	$ (3,672,982)
Amortization expense	(308,324)	(8,672)	(316,996)
Effect of foreign currency exchange differences	148,232	1,368	149,600
Balance at December 31, 2025	$ (3,798,293)	$ (42,085)	$ (3,840,378)
Carrying amount at December 31, 2025	$ 255,156	$ 2,264	$ 257,420

USD	Silicon Intellectual Property (SIP)	Software Cost	Total
Cost			
Balance at January 1, 2024	$ 108,575	$ 1,183	$ 109,758
Additions	10,016	122	10,138
Effect of foreign currency exchange differences	(302)	-	(302)
Balance at December 31, 2024	$ 118,289	$ 1,305	$ 119,594
Accumulated amortization			
Balance at January 1, 2024	$ (95,378)	$ (908)	$ (96,286)
Amortization expense	(15,862)	(152)	(16,014)
Effect of foreign currency exchange differences	268	-	268
Balance at December 31, 2024	$ (110,972)	$ (1,060)	$ (112,032)
Carrying amount at December 31, 2024	$ 7,317	$ 245	$ 7,562
Cost			
Balance at January 1, 2025	$ 118,289	$ 1,305	$ 119,594
Additions	10,696	106	10,802
Effect of foreign currency exchange differences	(18)	-	(18)
Balance at December 31, 2025	$ 128,967	$ 1,411	$ 130,378
Accumulated amortization			
Balance at January 1, 2025	$ (110,972)	$ (1,060)	$ (112,032)
Amortization expense	(9,889)	(278)	(10,167)
Effect of foreign currency exchange differences	11	-	11
Balance at December 31, 2025	$ (120,850)	$ (1,338)	$ (122,188)
Carrying amount at December 31, 2025	$ 8,117	$ 73	$ 8,190

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

	December 31	
	2025	2024
NTD		
Prepayments for raw materials	$ 2,731,169	$ 1,289,276
Prepayment for electronic design automation (EDA) tools	594,232	81,503
Prepayment for SIP	278,001	244,747
Others	27,484	36,160
	$ 3,630,886	$ 1,651,686
USD		
Prepayments for raw materials	$ 86,897	$ 39,325
Prepayment for electronic design automation (EDA) tools	18,907	2,486
Prepayment for SIP	8,845	7,465
Others	874	1,103
	$ 115,523	$ 50,379

17. OTHER PAYABLE

	December 31	
	2025	2024
NTD		
Payable for salaries and bonuses	$ 800,444	$ 1,107,053
Payable for electronic design automation (EDA) tools	589,492	5,726
Payable for equipment	510,112	167,289
Payable for professional services	70,650	10,001
Payable for technical services	25,316	301,953
Payable for SIP	14,775	2,198
Others	41,242	88,577
	$ 2,052,031	$ 1,682,797
USD		
Payable for salaries and bonuses	$ 25,468	$ 33,767
Payable for electronic design automation (EDA) tools	18,756	175
Payable for equipment	16,230	5,103
Payable for professional services	2,248	305
Payable for technical services	805	9,210
Payable for SIP	470	67
Others	1,312	2,701
	$ 65,289	$ 51,328

18. EQUITY

a. Ordinary shares

	December 31	
	2025	2024
Shares authorized (in thousands of shares)	100,000	100,000
Shares authorized (in thousands of NT$)	$ 1,000,000	$ 1,000,000
Shares issued and fully paid (in thousands of shares)	81,284	80,649
Shares issued and fully paid (in thousands of NT$)	$ 812,836	$ 806,485
Shares issued and fully paid (in thousands of US$)	$ 26,018	$ 25,815

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

Issuance of GDRs

On December 18, 2020 and December 20, 2023 the Company's shareholders held an extraordinary meeting and resolved the issuance of 7,600 thousand and 3,700 thousand ordinary shares offered in the form of GDRs. Each GDR represents one ordinary share of the Company. These GDRs were listed on the Luxembourg Exchange on January 20, 2021 and January 19, 2024, respectively. As of December 31, 2025, the holders of GDRs had redeemed 11,242.9 thousand units, which were equivalent to 11,242.9 thousand ordinary shares. The outstanding GDRs were equal to 57.1 thousand shares, which accounted for 0.07% of the Company's total outstanding ordinary shares.

Private placement

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

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

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

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

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

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

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

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

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

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

b. Retained earnings and dividends policy

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

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

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

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

	2023			
	Appropriation of Earnings (In Thousand)		Dividends Per Share (In Dollar)	
	USD	NTD	USD	NTD
Cash dividends	$ 56,301	$ 1,818,236	$ 0.719	$ 23.22

The appropriations of earnings for 2025 were proposed by the board of directors on March 6, 2026. The appropriations and dividends per share were as follows:

	2025			
	Appropriation of Earnings (In Thousand)		Dividends Per Share (In Dollar)	
	USD	NTD	USD	NTD
Cash dividends	$ 88,276	$ 2,797,457	$ 1.086	$ 34.41

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

c. Special reserve

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

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

Upon the Company's first-time adoption of IFRS Accounting Standards, 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 Year Ended December 31			
	2025		2024	
	Number of Options	Weighted-average Exercise Price (NT$)	Number of Options	Weighted-average Exercise Price (NT$)
Balance at January 1	2,436,314	$ 618	4,199,288	$ 436
Options granted	20,000	2,280	54,000	2,671
Options exercised	(635,078)	522	(1,805,283)	242
Options expired	(5,500)	1,930	(11,691)	892
Balance at December 31	1,815,736	659	2,436,314	618
Options exercisable, end of the year	1,641,064	509	1,960,770	501
Weighted-average fair value of options granted (NTD)	$ 1,366		$ 1,587	

The weighted-average share prices on the exercise date of the share options for the years ended December 31, 2025 and 2024 were $3,148 and $3,271, respectively.

Information on outstanding options was as follows:

December 31			
2025		2024	
Exercise Price (NT$)	Weighted-average Remaining Contractual Life (In Years)	Exercise Price (NT$)	Weighted-average Remaining Contractual Life (In Years)
$24.40	0.87	$36.40	1.18
40.00	1.19	24.40	1.87
81.20	1.91	40.00	2.19
95.40	2.01	81.20	2.91
93.10	2.10	95.40	3.02
114.80	2.25	93.10	3.11
120.60	2.30	114.80	3.25
118.60	2.61	120.60	3.30
85.40	2.72	118.60	3.61
73.30	3.22	85.40	3.73
72.60	3.39	73.30	4.22
93.40	3.61	72.60	4.39
200.90	3.90	93.40	4.61
202.90	4.14	200.90	4.90
262.50	4.33	202.90	5.14
316.30	4.46	262.50	5.33
553.40	4.59	319.10	5.46
546.30	4.96	558.30	5.59
783.90	5.19	551.20	5.96
392.90	5.38	790.90	6.19
553.50	5.64	396.40	6.38

(Continued)

December 31			
2025		2024	
Exercise Price (NT$)	Weighted-average Remaining Contractual Life (In Years)	Exercise Price (NT$)	Weighted-average Remaining Contractual Life (In Years)
983.70	5.83	558.40	6.64
938.80	6.19	992.50	6.83
846.30	6.33	947.20	7.19
790.90	6.66	853.80	7.33
816.50	6.88	797.90	7.66
1,477.00	7.40	823.80	7.88
3,344.60	8.20	1,490.20	8.40
2,462.60	8.66	3,374.40	9.20
2,009.00	8.84	2,484.50	9.66
2,279.70	9.36	2,026.90	9.84

(Concluded)

Options granted in 2025 and 2024 were priced by Black-Scholes pricing model and the inputs to the model on each grant-date were as follows:

	May 9, 2025	November 1, 2024	August 26, 2024	March 13, 2024
Grant-date share price (NT$)	2,300	2,030	2,510	3,410
Exercise price (NT$)	2,300	2,030	2,510	3,410
Expected volatility	63.02%-64.16%	62.94%-63.42%	63.17%-63.65%	62.71%-63.52%
Expected life (in years)	6-7 years	6-7 years	6-7 years	6-7 years
Expected dividend yield	-	-	-	-
Risk-free interest rate	1.44%-1.48%	1.46%-1.48%	1.48%-1.50%	1.20%-1.21%

Compensation costs recognized were NT$79,507 thousand (US$2,550 thousand) and NT$203,537 thousand (US$6,338 thousand) for the years ended December 31, 2025 and 2024, respectively.

20. REVENUE

a. Contract information

The changes in the contract liability balances primarily result from the timing difference between the satisfaction of performance obligation and the customer's payment. For the years ended December 31, 2025 and 2024, the Group recognized revenue of NT$5,528,153 thousand (US$177,298 thousand) and NT$9,924,533 thousand (US$309,060 thousand), respectively, from the contract liability outstanding balance at the beginning of the year.

b. Disaggregation of revenue from contracts with customers

	For the Year Ended December 31			
	2025		2024	
	NTD	USD	NTD	USD
Production				
ASIC and wafer product	$ 30,446,828	$ 976,486	$ 51,586,295	$ 1,606,449
Non-recurring Engineering (NRE)	446,352	14,315	365,751	11,390
Others	32,912	1,056	16,524	514
	$ 30,926,092	$ 991,857	$ 51,968,570	$ 1,618,353
Geography				
United States	$ 24,103,563	$ 773,046	$ 44,721,267	$ 1,392,666
China	2,509,028	80,469	4,679,049	145,710
Japan	2,488,235	79,802	802,591	24,994
Europe	189,570	6,080	1,164,203	36,254
Others	1,635,696	52,460	601,460	18,729
	$ 30,926,092	$ 991,857	$ 51,968,570	$ 1,618,353
Application type				
High performance computing	$ 25,747,962	$ 825,785	$ 48,501,315	$ 1,510,381
Consumer	3,818,782	122,475	603,780	18,801
Communication	926,354	29,710	1,356,475	42,242
Niche market	432,994	13,887	1,507,000	46,929
	$ 30,926,092	$ 991,857	$ 51,968,570	$ 1,618,353
Resolution				
3-nanometer	$ 4,356,787	$ 139,730	$ 456,962	$ 14,230
5-nanometer	15,205,530	487,669	10,954,662	341,139
7-nanometer	7,399,377	237,312	38,456,330	1,197,570
12-nanometer	1,560,401	50,045	806,238	25,107
16-nanometer and above	2,403,997	77,101	1,294,378	40,307
	$ 30,926,092	$ 991,857	$ 51,968,570	$ 1,618,353

21. NET PROFIT

Net profit included the following items:

a. Interest income

	For the Year Ended December 31	
	2025	2024
NTD		
Bank deposits	$ 1,357,392	$ 1,075,309
Investments in debt instruments at FVTOCI	69,880	32,347
Financial assets at amortized cost	164,499	94,515
Others	411	500
	$ 1,592,182	$ 1,202,671
USD		
Bank deposits	$ 43,534	$ 33,486
Investments in debt instruments at FVTOCI	2,241	1,007
Financial assets at amortized cost	5,276	2,943
Others	13	16
	$ 51,064	$ 37,452

b. Other gains and losses

	For the Year Ended December 31	
	2025	2024
NTD		
Net foreign exchange gains (losses)	$ 47,137	$ (18,598)
Loss on disposal of equipment	(756)	(2,881)
(Loss) gain on disposal of financial assets		
Investments in debt instruments at FVTOCI	(38)	311
Others	(286)	252
	$ 46,057	$ (20,916)
USD		
Net foreign exchange gains (losses)	$ 1,511	$ (579)
Loss on disposal of equipment	(24)	(90)
(Loss) gain on disposal of financial assets		
Investments in debt instruments at FVTOCI	(1)	10
Others	(9)	8
	$ 1,477	$ (651)

c. Finance costs

	For the Year Ended December 31	
	2025	2024
NTD		
Interest on lease liabilities	$ 8,952	$ 8,980
	$ 8,952	$ 8,980
USD		
Interest on lease liabilities	$ 287	$ 280
	$ 287	$ 280

d. Depreciation and amortization

	For the Year Ended December 31	
	2025	2024
NTD		
Property, plant and equipment	$ 2,654,839	$ 2,033,351
Right-of-use assets	88,674	95,982
Intangible assets	316,996	514,255
	$ 3,060,509	$ 2,643,588
An analysis of depreciation by function		
Operating costs	$ 2,576,674	$ 1,942,681
Operating expenses	166,839	186,652
	$ 2,743,513	$ 2,129,333
An analysis of amortization by function		
Operating costs	$ 308,825	$ 509,457
Operating expenses	8,171	4,798
	$ 316,996	$ 514,255
USD		
Property, plant and equipment	$ 85,146	$ 63,321
Right-of-use assets	2,844	2,989
Intangible assets	10,167	16,014
	$ 98,157	$ 82,324

(Continued)

	For the Year Ended December 31	
	2025	2024
An analysis of depreciation by function		
Operating costs	$ 82,639	$ 60,499
Operating expenses	5,351	5,811
	$ 87,990	$ 66,310
An analysis of amortization by function		
Operating costs	$ 9,905	$ 15,865
Operating expenses	262	149
	$ 10,167	$ 16,014

(Concluded)

e. Employee benefits expense

	For the Year Ended December 31	
	2025	2024
NTD		
Post-employment benefits		
Defined contribution plan	$ 82,523	$ 79,379
Share-based payments (Note 19)	79,507	203,537
Other employee benefits	1,453,018	1,682,074
	$ 1,615,048	$ 1,964,990
An analysis of employee benefits expense by function		
Operating costs	$ 30,375	$ 25,787
Operating expenses	1,584,673	1,939,203
	$ 1,615,048	$ 1,964,990
USD		
Post-employment benefits		
Defined contribution plan	$ 2,647	$ 2,472
Share-based payments (Note 19)	2,550	6,338
Other employee benefits	46,601	52,381
	$ 51,798	$ 61,191
An analysis of employee benefits expense by function		
Operating costs	$ 974	$ 803
Operating expenses	50,824	60,388
	$ 51,798	$ 61,191

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 2025 and 2024 were as follows:

	For the Year Ended December 31			
	2025		2024	
	USD	NTD	USD	NTD
Compensation of employees	$ 9,000	$ 280,620	$ 10,000	$ 321,120
Remuneration of directors	1,400	43,652	1,500	48,168
	$ 10,400	$ 324,272	$ 11,500	$ 369,288

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.

There is no difference between the actual amounts of compensation of employees and remuneration of directors and supervisors and the amounts recognized in the consolidated financial statements for the years ended December 31, 2024 and 2023.

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 Year Ended December 31			
	2025		2024	
	USD	NTD	USD	NTD
Current tax				
In respect of the current year	$ 45,455	$ 1,417,300	$ 43,060	$ 1,382,737
Adjustments for prior year	(565)	(17,612)	(97)	(3,108)
	44,890	1,399,688	42,963	1,379,629
Deferred tax				
In respect of the current year	(8,873)	(276,667)	(775)	(24,892)
Adjustments for prior year	22	688	214	6,870
	(8,851)	(275,979)	(561)	(18,022)
Income tax expense recognized in profit or loss	$ 36,039	$ 1,123,709	$ 42,402	$ 1,361,607

A reconciliation of accounting profit and income tax expense is as follows:

	For the Year Ended December 31			
	2025		2024	
	USD	NTD	USD	NTD
Profit before tax	$ 215,524	$ 6,720,018	$ 243,153	$ 7,808,147
Income tax expense calculated at the statutory rate	$ 35,775	$ 1,115,458	$ 41,824	$ 1,343,061
Permanent differences	(812)	(25,312)	364	11,692
Unrecognized loss carryforwards and deductible temporary differences	1,619	50,487	97	3,092
Adjustments to current income tax of prior years	(543)	(16,924)	117	3,762
Income tax expense recognized in profit or loss	$ 36,039	$ 1,123,709	$ 42,402	$ 1,361,607

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

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31			
	2025		2024	
	USD	NTD	USD	NTD
Deferred tax				
In respect of the current year				
Fair value changes of financial assets at FVTOCI	$ 63	$ 1,986	$ (43)	$ (1,381)
Total income tax recognized in other comprehensive income	$ 63	$ 1,986	$ (43)	$ (1,381)

c. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2025

NTD

Deferred Tax Assets	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Differences	Closing Balance
Temporary differences					
Write-down of inventory	$ 12,238	$ 198,818	$ -	$ 1,089	$ 212,145
Allowance for doubtful accounts	134,918	27,727	-	(5,354)	157,291
Intangible assets	11,211	(4,129)	-	(317)	6,765
Deferred revenue from government grants	3,492	-	-	(145)	3,347
Unrealized losses	-	51,758	-	415	52,173
	161,859	274,174	-	(4,312)	431,721
Loss carryforward	6,744	1,591	-	(368)	7,967
	$ 168,603	$ 275,765	$ -	$ (4,680)	$ 439,688

Deferred Tax Liabilities	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Differences	Closing Balance
Temporary differences					
Fair value changes of financial assets at FVTOCI	$ 1,169	$ -	$ 1,986	$ (32)	$ 3,123
Unrealized exchange gains (losses)	4,947	(214)	-	(206)	4,527
	$ 6,116	$ (214)	$ 1,986	$ (238)	$ 7,650

USD

Deferred Tax Assets	Opening Balance	Recognized in Profit or Loss	Recognized in Other Compre-hensive Income	Exchange Differences	Closing Balance
Temporary differences					
Write-down of inventory	$ 373	$ 6,377	$ -	$ -	$ 6,750
Allowance for doubtful accounts	4,115	889	-	-	5,004
Intangible assets	342	(133)	-	6	215
Deferred revenue from government grants	106	-	-	-	106
Unrealized losses	-	1,660	-	-	1,660
	4,936	8,793	-	6	13,735
Loss carryforward	207	51	-	(4)	254
	$ 5,143	$ 8,844	$ -	$ 2	$ 13,989

Deferred Tax Liabilities	Opening Balance	Recognized in Profit or Loss	Recognized in Other Compre-hensive Income	Exchange Differences	Closing Balance
Temporary differences					
Fair value changes of financial assets at FVTOCI	$ 36	$ -	$ 63	$ -	$ 99
Unrealized exchange gains (losses)	151	(7)	-	-	144
	$ 187	$ (7)	$ 63	$ -	$ 243

For the year ended December 31, 2024

NTD

Deferred Tax Assets	Opening Balance	Recognized in Profit or Loss	Recognized in Other Compre-hensive Income	Exchange Differences	Closing Balance
Temporary differences					
Write-down of inventory	$ 15,857	$ (4,597)	$ -	$ 978	$ 12,238
Allowance for doubtful accounts	81,267	47,157	-	6,494	134,918
Intangible assets	12,777	(1,192)	-	(374)	11,211
Deferred revenue from government grants	2,180	1,140	-	172	3,492
	112,081	42,508	-	7,270	161,859
Loss carryforward	28,634	(23,339)	-	1,449	6,744
	$ 140,715	$ 19,169	$ -	$ 8,719	$ 168,603

Deferred Tax Liabilities	Opening Balance	Recognized in Profit or Loss	Recognized in Other Compre-hensive Income	Exchange Differences	Closing Balance
Temporary differences					
Fair value changes of financial assets at FVTOCI	$ 2,415	$ -	$ (1,381)	$ 135	$ 1,169
Unrealized exchange gains	3,536	1,147	-	264	4,947
	$ 5,951	$ 1,147	$ (1,381)	$ 399	$ 6,116

USD

Deferred Tax Assets	Opening Balance	Recognized in Profit or Loss	Recognized in Other Compre-hensive Income	Exchange Differences	Closing Balance
Temporary differences					
Write-down of inventory	$ 516	$ (143)	$ -	$ -	$ 373
Allowance for doubtful accounts	2,647	1,468	-	-	4,115
Intangible assets	416	(37)	-	(37)	342
Deferred revenue from government grants	71	35	-	-	106
	3,650	1,323	-	(37)	4,936
Loss carryforward	933	(726)	-	-	207
	$ 4,583	$ 597	$ -	$ (37)	$ 5,143

Deferred Tax Liabilities	Opening Balance	Recognized in Profit or Loss	Recognized in Other Compre-hensive Income	Exchange Differences	Closing Balance
Temporary differences					
Fair value changes of financial assets at FVTOCI	$ 79	$ -	$ (43)	$ -	$ 36
Unrealized exchange gains	115	36	-	-	151
	$ 194	$ 36	$ (43)	$ -	$ 187

d. Income tax assessments

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

e. 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. However, the implementation of Qualified Domestic Minimum Top-up Tax is expected to become 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 Year Ended December 31			
	2025		2024	
	USD	NTD	USD	NTD
Basic earnings per share	$ 2.22	$ 69.18	$ 2.53	$ 81.34
Diluted earnings per share	$ 2.17	$ 67.51	$ 2.45	$ 78.83

EPS is computed as follows:

	For the Year Ended December 31			
	2025		2024	
	USD	NTD	USD	NTD
Net profit for the year				
Profit for the year attributable to owners of the Company	$ 179,550	$ 5,598,340	$ 200,726	$ 6,445,719
Earnings used in the computation of basic and diluted earnings per share	$ 179,550	$ 5,598,340	$ 200,726	$ 6,445,719

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

	For the Year Ended December 31	
	2025	2024
Weighted average number of ordinary shares used in the computation of basic earnings per share	80,921	79,243
Effect of potentially dilutive ordinary shares		
Employee share option	1,906	2,417
Compensation of employees	96	107
Weighted average number of ordinary shares used in the computation of diluted earnings per share	82,923	81,767

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 Year Ended December 31			
	2025		2024	
	USD	NTD	USD	NTD
Additions of equipment	$ 84,477	$ 2,634,005	$ 66,687	$ 2,141,454
Changes in payables for equipment	(11,127)	(342,823)	(4,463)	(147,633)
Effect of foreign currency exchange differences	-	(4,132)	-	4,334
Payments for acquisition of equipment	$ 73,350	$ 2,287,050	$ 62,224	$ 1,998,155
Additions of intangible assets	$ 10,802	$ 336,793	$ 10,138	$ 325,566
Changes in prepayment	1,380	33,254	3,989	138,051
Changes in other payables	(403)	(12,577)	5,020	154,072
Effect of foreign currency exchange differences	-	9,780	-	(2,791)
Payments for acquisition of intangible assets	$ 11,779	$ 367,250	$ 19,147	$ 614,898

25. CAPITAL MANAGEMENT

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

26. FINANCIAL INSTRUMENTS

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

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

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

1) Fair value hierarchy

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

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

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

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

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

There were no transfers between Levels 1 and 2 in the 2025 and 2024.

c. Category of financial instruments

	December 31	
	2025	2024
NTD		
Financial assets		
Financial assets at amortized cost (1)	$ 42,071,111	$ 35,738,384
Financial assets at FVTOCI		
Debt instruments	1,837,535	1,106,998
Equity instruments	464,783	298,624
Financial liabilities		
Amortized cost (2)	3,230,334	2,423,173
USD		
Financial assets		
Financial assets at amortized cost (1)	1,338,566	1,090,083
Financial assets at FVTOCI		
Debt instruments	58,464	33,765
Equity instruments	14,788	9,109
Financial liabilities		
Amortized cost (2)	102,779	73,911

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 31 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 year 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 Year Ended December 31	
	2025	2024
RMB	$ 3,375	$ 4,461
USD	337	173
NTD	6	421

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 year were as follows:

	December 31	
	2025	2024
NTD		
Fair value interest rate risk		
Financial assets	$ 15,635,209	$ 9,985,853
Financial liabilities	325,240	207,330
Cash flow interest rate risk		
Financial assets	24,914,317	20,616,900
USD		
Fair value interest rate risk		
Financial assets	497,461	304,586
Financial liabilities	10,348	6,324
Cash flow interest rate risk		
Financial assets	792,692	628,851

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 years ended December 31, 2025 and 2024 would have increased/decreased by NT$62,286 thousand (US$1,982 thousand) and NT$51,542 thousand (US$1,572 thousand), respectively.

2) Credit risk

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

Business related credit risk

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

The Group's credit risk mainly comes from gross trade receivables of the Group's five largest customers. As of December 31, 2025 and 2024, respectively, the Group's five largest customers accounted for 68% and 82% of the Group's gross trade receivables, respectively.

Financial credit risk

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

3) Liquidity risk

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

a) Liquidity and interest rate risk tables

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

	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
	$ 3,031,996	$ 228,675	$ 95,947	$ 208,963	$ 16,373	$ 96,467	$ 7,276	$ 3,053	$ 6,649	$ 521

	December 31, 2024									
	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	$ 1,624,662	$ 201,665	$ -	$ -	$ -	$ 49,555	$ 6,151	$ -	$ -	$ -
Other payables	580,309	16,367	170	-	-	17,701	499	5	-	-
Lease liabilities	4,760	8,697	70,945	145,238	791	146	265	2,164	4,430	24
	$ 2,209,731	$ 226,729	$ 71,115	$ 145,238	$ 791	$ 67,402	$ 6,915	$ 2,169	$ 4,430	$ 24

b) Financing facilities

	December 31	
	2025	2024
NTD		
Other loan facilities		
Amount used	$ -	$ -
Amount unused	228,438	136,825
	$ 228,438	$ 136,825
USD		
Other loan facilities		
Amount used	$ -	$ -
Amount unused	7,268	4,173
	$ 7,268	$ 4,173

27. TRANSACTIONS WITH RELATED PARTIES

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

a. Related party name and category

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

b. Revenue

NTD

		For the Year Ended December 31	
Line Item	Related Party Category	2025	2024
Service revenue	Associate	$ 427,721	$ -

USD

		For the Year Ended December 31	
Line Item	Related Party Category	2025	2024
Service revenue	Associate	$ 13,718	$ -

The charges of service and payment terms with related parties were not significantly different from those with third parties.

c. Receivables from related parties (excluding borrowings from related parties)

NTD

Line Item	Related Party Category	December 31 2025	December 31 2024
Trade receivables	Associate	$ 375,087	$ -

USD

Line Item	Related Party Category	December 31 2025	December 31 2024
Trade receivables	Associate	$ 11,934	$ -

The outstanding trade receivables from related parties mentioned above were unsecured. For the years ended December 31, 2025 and 2024, no provisions for impairment loss were recognized.

d. Other accrued expenses

NTD

Related Party Category	December 31 2025	December 31 2024
Associate	$ -	$ 35,441

USD

Related Party Category	December 31 2025	December 31 2024
Associate	$ -	$ 1,081

The outstanding other accrued expenses to related parties are unsecured.

e. Service expense

NTD

Line Item	Related Party Category	For the Year Ended December 31 2025	For the Year Ended December 31 2024
Research and development expenses	Associate	$ 57,683	$ 99,573

USD

Line Item	Related Party Category	For the Year Ended December 31 2025	For the Year Ended December 31 2024
Research and development expenses	Associate	$ 1,850	$ 3,101

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. Acquisition of investments accounted for the equity method

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

g. Remuneration of directors and key management personnel

	For the Year Ended December 31	
	2025	2024
NTD		
Other employee benefits	$ 302,309	$ 318,016
Share-based payments	9,309	23,773
Post-employment benefits	866	1,165
	$ 312,484	$ 342,954
USD		
Other employee benefits	$ 9,695	$ 9,904
Share-based payments	299	740
Post-employment benefits	28	36
	$ 10,022	$ 10,680

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 December 31, 2025 and 2024, the Group provided time deposits amounting to NT$30,349 thousand (US$966 thousand) and NT$30,090 thousand (US$918 thousand) as tariff guarantees for imported raw materials and collateral for letters of credit.

29. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, unrecognized commitments of the Group at December 31, 2025 and 2024 were as follows:

a. The Group entered into a capacity reservation agreement with Company A, under which the committed capacity period is from July 2022 to June 2025. The Group shall pay a total amount of US$25,422 thousand in advance for the purchase of materials in accordance with the agreement. The Group has prepaid US$13,220 thousand for the purchase of materials. The prepayment shall be deducted at the rate of 35% of the total purchase for each order placed by the Group. If the production capacity provided by Company A in any month doesn't meet the commitment, Company A shall pay the Group 0.1% of the prepayment as a penalty for each overdue day, but the maximum shall not exceed 6% of the balance of the prepayment. The term of this agreement shall be from July 2022 to September 2026.

Since Company A's production capacity has fallen short of expectations, on November 5, 2025, the Group entered into a supplementary agreement with Company A. The agreement period is from September 2025 to March 2028. Under the supplementary agreement, Company A shall refund, in several installments, a total amount of NT$833 thousand of prepayments made under the original agreement by December 31, 2026. Upon the expiration of the supplementary agreement, any remaining balance of the prepayments shall become immediately due and payable, and Company A shall refund all outstanding amounts in accordance with the terms of both the original agreement and the supplementary agreement. As of December 31, 2025, the remaining prepayment balance amounted to US$8,800 thousand, of which US$8,300 thousand was assessed by the Group as having a low likelihood of future utilization or recovery. Accordingly, the Group recognized a loss amounted to US$8,300 thousand in 2025.

b. The Group entered into SIP license agreements with several companies and shall pay agreed amounts to obtain the authorized license rights over specific period in accordance with the agreements. Under one such license agreement with a particular company, the consolidated company shall make periodic payments of license fees in accordance with the payment schedule stipulated in the agreement. As of December 31, 2025 and 2024, the Group was still obligated to pay US$12,550 thousand and US$23,304 thousand, respectively.

30. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

a. On January 30, 2026, to pursue business cooperation and strategic alliance needs, the board of directors resolved at an extraordinary meeting to approve a loan arrangement of EUR 8,000 thousand to SiPearl. In addition to interest calculated at the contractually agreed rate, the loan may be converted into equity of SiPearl. The Company will convert the loan into an equity investment in SiPearl by December 31, 2026. As of the date of the independent auditors' report, the loan has not yet been drawn down.

b. On March 6, 2026, the board of directors resolved to conduct a cash capital increase through the issuance of GDRs, with the number of shares to be issued not exceeding 6,000 thousand shares. The proposal is subject to approval by the 2026 shareholders' meeting, after which the Chairman will be authorized to proceed based on market conditions and applicable laws and regulations.

c. To support long-term operations and business development, the board of directors resolved to conduct a private placement on March 6, 2026, with the number of shares not exceeding 2,000 thousand shares. The offering may be executed in one to three times within one year from the date of the shareholders' meeting resolution. The proposal of private placement is pending approval at the 2026 shareholders' meeting.

31. 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:

December 31, 2025

	Foreign Currency	Exchange Rate	Carrying Amount (USD in Thousands)
Financial assets			
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)	1,316
			$ 91,322
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)	1,000
			$ 8,089
Financial liabilities			
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)	1,187
			$ 21,041

December 31, 2024

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

(Continued)

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

(Concluded)

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

	For the Year Ended December 31			
	2025		2024	
Foreign Currency	Exchange Rate (Foreign Currency: Functional Currency)	Net Foreign Exchange Gains (Losses)	Exchange Rate (Foreign Currency: Functional Currency)	Net Foreign Exchange Gains (Losses)
RMB	0.139978 (RMB:USD)	$ 1,117	0.140444(RMB:USD)	$ (1,236)
USD	149.543891 (USD:JPY)	(151)	151.400454 (USD:JPY)	450
NTD	0.032072 (NTD:USD)	589	0.031141 (NTD:USD)	143
MYR	0.224936 (MYR:USD)	(65)	0.210357 (MYR:USD)	-
VND	0.000038 (VND:USD)	21	0.000039 (VND:USD)	64
		$ 1,511		$ (579)

32. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions and b. Information on investees

1) Financing provided to others: None

2) Endorsements/guarantees provided: None

3) Significant marketable securities held: Table 1

4) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital: Table 2

5) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: Table 3

6) Intercompany relationships and significant intercompany transactions: Table 4

7) Information on investees: Table 5

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 year, repatriations of investment income, and limit on the amount of investment in the mainland China area: Table 6

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 year

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year

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 year 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 year or on the financial position, such as the rendering or receipt of services

33. SEGMENT INFORMATION

a. Operating segment

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.

b. Geographical information

The Group operates in three principal geographical areas - Japan, Taiwan and China.

The Group's revenue from continuing operations from external customers by refer to Note 20 for the information about the disaggregation of revenue and information on its non-current assets (exclude deferred income tax asset) by location of assets are detailed below.

	Non-current Assets	
	December 31	
	2025	2024
NTD		
United States	$ 14,191	$ 1,659
China	529,290	474,147
Japan	54,091	28,979
Taiwan	1,989,486	2,117,025
Other	1,954,939	1,335,064
	$ 4,541,997	$ 3,956,874
USD		
United States	$ 452	$ 51
China	16,840	14,462
Japan	1,721	884
Taiwan	63,299	64,572
Other	62,200	40,722
	$ 144,512	$ 120,691

c. Information on major customers

Single customers contributing 10% or more to the Group's revenue were as follows:

	For the Year Ended December 31					
	2025			2024		
Customer	USD	NTD	%	USD	NTD	%
Customer A	$ 497,315	$ 15,506,279	50	$ 342,760	$ 11,006,697	21
Customer B	178,904	5,578,224	18	973,664	31,266,294	60

ALCHIP TECHNOLOGIES, LIMITED AND SUBSIDIARIES

SIGNIFICANT MARKETABLE SECURITIES HELD
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2025				Note
				Number of Shares/Units (In Thousands)	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Alchip BVI	Corporate bonds							
	TSMC	-	Financial assets at fair value through other comprehensive income - current	-	$ 62,327	-	$ 62,327	-
	Sumitomo Mitsui	-	〃	-	31,512	-	31,512	-
	Manulife Financial Corp	-	〃	-	31,430	-	31,430	-
	HSBC Holdings PLC	-	〃	-	31,419	-	31,419	-
	SHINHAN CARD	-	〃	-	6,208	-	6,208	-
	NTT Finance Corp	-	Financial assets at fair value through other comprehensive income - non-current	-	31,932	-	31,932	-
	Macquarie Bank	-	〃	-	32,098	-	32,098	-
	Banco Santander SA	-	〃	-	32,608	-	32,608	-
	Korea National Oil Corp	-	〃	-	31,774	-	31,774	-
	Korea Gas Corp	-	〃	-	16,217	-	16,217	-
	CK Hutchison International (24) Limited	-	〃	-	68,458	-	68,458	-
	TSMC Global Ltd	-	〃	-	50,632	-	50,632	-
	Citigroup Inc	-	〃	-	50,270	-	50,270	-
	UBS GROUP AG VRN	-	〃	-	52,535	-	52,535	-
	Goldman Sachs Group Inc	-	〃	-	50,405	-	50,405	-
	Broadcom Inc	-	〃	-	51,929	-	51,929	-
	Bank of America Corp.	-	〃	-	50,536	-	50,536	-
	DEUTSCHE BANK AG	-	〃	-	49,876	-	49,876	-
	ANZ NEW ZEALAND INT'L LTD	-	〃	-	52,062	-	52,062	-
	UBS GROUP AG	-	〃	-	50,363	-	50,363	-
	NOMURA HOLDINGS INC	-	〃	-	51,375	-	51,375	-
	JPMORGAN CHASE & CO	-	〃	-	50,444	-	50,444	-
	BNP PARIBAS SA	-	〃	-	50,482	-	50,482	-
	META PLATFORMS INC	-	〃	-	19,444	-	19,444	-
	PFIZER INVESTMENT ENTERPRISES	-	〃	-	31,886	-	31,886	-
	Credit Agricole SA	-	〃	-	31,434	-	31,434	-

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2025				Note
				Number of Shares/Units (In Thousands)	Carrying Amount	Percentage of Ownership (%)	Fair Value	
	BP CAP Market	-	Financial assets at fair value through other comprehensive income - non-current	-	$ 30,874	-	$ 30,874	-
	Citigroup Global Markets Holdings Inc	-	〃	-	31,021	-	31,021	-
	BAC	-	〃	-	21,975	-	21,975	-
	GS LCCN	-	〃	-	15,715	-	15,715	-
	Toyota Motor	-	〃	-	63,847	-	63,847	-
	Saudi International	-	〃	-	63,683	-	63,683	-
	PFIZER INVESTMENT	-	〃	-	63,750	-	63,750	-
	Verizon	-	〃	-	31,710	-	31,710	-
	BP CAP Market	-	〃	-	57,759	-	57,759	-
	ELECTRICITE DE	-	〃	-	32,730	-	32,730	-
	Australia Bank	-	〃	-	31,355	-	31,355	-
	GOLDMAN SACHS	-	〃	-	31,651	-	31,651	-
	MORGAN STANLEY	-	〃	-	65,335	-	65,335	-
	BNP PARIBAS	-	〃	-	59,247	-	59,247	-
	Mitsubishi UFJ	-	〃	-	64,523	-	64,523	-
	UBS Group	-	〃	-	66,282	-	66,282	-
	Cathaylife Singapore	-	〃	-	31,895	-	31,895	-
	Republic of Chile	-	〃	-	4,527	-	4,527	-
	Unlisted shares/equity investment fund							
	ACHI CAPITAL PARTNERS FUND L.P.	-	〃	-	210,550	1.94	210,550	-
Alchip Shanghai	KQ (Shenzhen) Semiconductor & Technology Industry Equity Investment Fund	-	〃	-	97,701	0.81	97,701	-
	KQ (Suzhou) Emerging Industry Venture Equity Investment Fund	-	〃	-	125,102	2.62	125,102	-
Alchip TW	Uniconn Interconnections Technology Co., Ltd.	-	〃	3,026	-	5.24	-	-
	Brillink Inc.	The Company is the director of Brillink Inc.	〃	1,000	31,430	12.20	31,430	-

Note 1: For the information on investments in subsidiaries and associates, see Tables 5 and 6 for details.

(Concluded)

ALCHIP TECHNOLOGIES, LIMITED AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchases/ Sales	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
The Company	AdoreSys Pte Ltd.	Associate	Operating revenue	$ (427,721)	(1.40)	60 days after acceptance	The same as regular terms	The same as regular transaction terms	$ 375,087	13.38	
Alchip KK	The Company	Subsidiary	〃	(164,709)	(60.48)	Within 1 year	〃	〃	150,440	94.65	-
Alchip US	The Company	〃	〃	(121,965)	(100.00)	〃	〃	〃	52,724	100.00	-
The Company	Alchip KK	〃	Operating cost	164,709	0.72	〃	〃	〃	(150,440)	(7.01)	-
	Alchip US	〃	〃	121,965	0.53	〃	〃	〃	(52,724)	(2.46)	-

ALCHIP TECHNOLOGIES, LIMITED AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period (Note)	Allowance for Impairment Loss
					Amount	Actions Taken		
The Company	AdoreSys Pte Ltd.	Associate	$ 375,807	2.28	$ -	-	$ 375,087	$ -
Alchip KK	The Company	Subsidiary	150,440	2.19	-	-	150,315	-

Note: Amounts received as of March 6, 2026.

ALCHIP TECHNOLOGIES, LIMITED AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2025
(Amounts in Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Accounts	Amount (Note 4)	Payment Terms	% of Total Sales or Assets (Note 3)
0	The Company	Alchip KK	a	Accounts receivable	$ 87,996	Based on regular items	-
		Alchip KK	a	Operating revenue	87,327	〃	-
1	Alchip Wuxi	Alchip Shanghai	c	Accounts receivable	64,463	〃	-
		Alchip Shanghai	c	Operating revenue	86,231	〃	-
2	Alchip Hefei	Alchip Shanghai	c	Accounts receivable	36,734	〃	-
		Alchip Shanghai	c	Operating revenue	47,294	〃	-
3	Alchip Guangzhou	Alchip Shanghai	c	Accounts receivable	51,001	〃	-
		Alchip Shanghai	c	Operating revenue	64,805	〃	-
4	Alchip Jinan	Alchip Shanghai	c	Accounts receivable	68,255	〃	-
		Alchip Shanghai	c	Operating revenue	94,086	〃	-
5	Alchip KK	The Company	b	Accounts receivable	150,440	〃	-
		The Company	b	Operating revenue	164,709	〃	1
6	Alchip US	The Company	b	Accounts receivable	52,724	〃	-
		The Company	b	Operating revenue	121,965	〃	-
7	Alchip Chongqing	Alchip Shanghai	c	Accounts receivable	55,931	〃	-
		Alchip Shanghai	c	Operating revenue	60,862	〃	-
8	Alchip MY	The Company	b	Accounts receivable	10,736	〃	-
		The Company	b	Operating revenue	28,119	〃	-

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

a. Fill in “0” for the parent company.
b. Subsidiaries are listed in order.

(Continued)

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 December 31, 2025, while revenues, costs and expenses are shown as a percentage to consolidated revenues for the twelve months ended December 31, 2025.

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

Note 5: The amount was eliminated upon consolidation.

(Concluded)

ALCHIP TECHNOLOGIES, LIMITED AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2025			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2025	December 31, 2024	Shares (In Thousands)	%	Carrying Amount			
The Company	Alchip HK	Hong Kong	Investments	$ 598,415 (US$ 19,129)	$ 598,415 (US$ 19,129)	14,165,970	100.0	$ 2,190,436	$ (565,010)	$ (565,010)	-
	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	39,481	(15,356)	(15,356)	-
	Alchip KK	Japan	Product Technical Support and Consulting Services.	33,902 (JPY 100,000)	33,902 (JPY 100,000)	2	100.0	115,117	389	389	-
	Alchip TW	Taiwan	ASIC and SOC services	100	100	10	100.0	347,990	(37,072)	(37,072)	-
	Alchip BVI	Tortola British Virgin Islands	Investment	2,066,141 (US$ 64,500) (Note 1)	1,330,959 (US$ 41,836)	50	100.0	2,220,781 (Note 1)	68,987	68,987	-
	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	18,715	(5,958)	(5,958)	-
Alchip HK	Alchip VN	Vietnam	Research and development, design, and sales of ASIC and SOC and rendering of related services.	32,180 (US$ 1,000)	32,180 (US$ 1,000)	Note 2	100.0	21,019	(9,155)	(9,155)	-
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	64,094	(269,492)	(47,698)	-

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

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

Note 3: For the information on investments in mainland China, see Table 6 for details.

ALCHIP TECHNOLOGIES, LIMITED AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2025	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2025	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of December 31, 2025	Accumulated Repatriation of Investment Income as of December 31, 2025	Note
					Outward	Inward							
Alchip Shanghai	Research and development, design, and sales of ASIC and SOC related services.	$ 402,304 (US$ 12,800) (RMB 102,392)	Note 1, b.	$ 402,304 (US$ 12,800)	$ -	$ -	$ 402,304 (US$ 12,800)	$ (342,070)	100	$ (342,070) (Note 2, b.)	$ 1,398,643	$ -	
Alchip Wuxi	Research and development, design, and sales of ASIC and SOC related services.	62,860 (US$ 2,000) (RMB 12,482)	Note 1, b.	62,860 (US$ 2,000)	-	-	62,860 (US$ 2,000)	(67,555)	100	(67,555) (Note 2, b.)	264,593	-	
Alchip Hefei	Research and development, design, and sales of ASIC and SOC related services.	15,715 (US$ 500) (RMB 3,469)	Note 1, b.	15,715 (US$ 500)	-	-	15,715 (US$ 500)	(37,730)	100	(37,730) (Note 2, b.)	214,135	-	
Alchip Jinan	Research and development, design, and sales of ASIC and SOC related services.	24,641 (US$ 784) (RMB 5,031)	Note 1, b.	24,641 (US$ 784)	-	-	24,641 (US$ 784)	(58,016)	100	(58,016) (Note 2, b.)	147,264	-	
Alchip Guangzhou	Research and development, design, and sales of ASIC and SOC related services.	50,288 (US$ 1,600) (RMB 10,523)	Note 1, b.	50,288 (US$ 1,600)	-	-	50,288 (US$ 1,600)	(50,165)	100	(50,165) (Note 2, b.)	142,631	-	
Chiptopia Shanghai	Software development and services, design, and sales of ASIC and SOC related services.	47,815 (US$ 1,521) (RMB 10,000)	Note 1, c.	(Note 3)	-	-	(Note 3)	(5,804)	65	(3,772) (Note 2, b.)	35,976	-	
Alchip Chongqing	Research and development, design, and sales of ASIC and SOC related services.	24,364 (US$ 775) (RMB 5,000)	Note 1, c.	(Note 4)	-	-	(Note 4)	(56,767)	100	(56,767) (Note 2, b.)	126,894	-	

Accumulated Outward Remittance for Investments in Mainland China as of December 31, 2025	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 H.K.)
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 6 was presented at the foreign exchange rate of US$1:NT$31.43 as of December 31, 2025.

(Concluded)