





Stock Code: 3661

Alchip Technologies, Limited

2024 Annual Report

Taiwan Stock Exchange Market Observation Post System: <https://mops.twse.com.tw>
Alchip Annual Report is available at: <https://www.alchip.com/>

Printed on March 31, 2025

I. Name, Title and Contact Information for Company's Spokesperson, Acting Spokesperson, Litigious and Non-litigious Agent

Spokesperson	Deputy Spokesperson	Litigious and Non-litigious Agent
Name : Daniel Wang	Name : Johnny Shen	Name : Daniel Wang
Title : CFO	Title : CEO	Title : CFO
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II. Contact Information of Company's Headquarters, Branches and Plant

Office	Address	Tel.
(I) The Company		
Alchip Technologies, Ltd.	PO Box 309, Ugland House, Grand Cayman, KY-1104, Cayman Islands	886-2-2799-2318
(II) Subsidiaries		
1. The subsidiary in Taiwan: Alchip Technologies, Inc.	9F., No.12, Wenhua St., Neihu Dist., Taipei, Taiwan 114	886-2-2799-2318
2. The branch in Taiwan: Alchip Technologies, Ltd. Taiwan Branch	9F., No.12, Wenhua St., Neihu Dist., Taipei, Taiwan 114	886-2-2799-2318
3. The subsidiary in Hong Kong: Alchip Technologies, Ltd.	Room 509, Bank of America Tower, 12 Harcourt Road Central, Hong Kong	852-2522-2922
4. The sub-subsubsidiary in Shanghai: Alchip Technologies (Shanghai), Ltd.	Registered Address: Building 11, No. 1221, East Pingzhuang Rd., Lingang Special area, Shanghai Pilot Free Trade Zone, China Business Address: 11F, East tower Greenland Center, 596 Middle Longhua Road, Shanghai, China 200032	86-21-52350999
5. The subsidiary in Japan: アルチップ・テクノロジーズ Co., Ltd. (Alchip Technologies, K.K.)	10F Shin-Yokohama Square Bldg, 2-3-12 Shin-Yokohama, Kouhoku Yokohama Kanagawa Japan, 222-0033	81-45-470-1090
6. The subsidiary in U.S.: AlChip Technologies, Inc.	2107 N 1st St., Suite 570, San Jose, CA 95131	1-408-320-2223
7. The sub-subsubsidiary in Wuxi: Alchip Technologies (Wuxi) Inc.	4F, Building A5, No.777, Jianzhuxi Road, Binhu District, Wuxi, Jiangsu, China	86-510-85120332
8. Alchip's BVI incorporated subsidiary: Alchip Investment Inc.	Portcullis TrustNet Chambers, 4th Floor Ellen Skelton Building, 3076 Sir Francis Drake Highway, Road Town, Tortola, British Virgin Islands VG1110	886-2-2799-2318
9. The sub-subsubsidiary in Hefei: Alchip Technologies (Hefei) Inc.	6F, Building C4, No.800, Wangjiang West Road, Gaoxin District, Hefei City, Anhui Province, China 230088	86-551-65655001
10. The sub-subsubsidiary in Jinan: Alchip Technologies (Jinan) Inc.	1F, Building B, Qilu Software Park, No.1000 ShunHua Road, High-tech Development Zone, Jinan City, Shandong Province, China 250101	86-531-89017990
11. The sub-subsubsidiary in Guangzhou: Alchip Technologies (Guangzhou) Inc.	Room 01, 12F, Building A, Grandtek, No.18 Science Avenue, Huangpu District, Guangzhou, China	86-20-89819302
12. The sub-subsubsidiary in Chongqing: Alchip Technologies (Chongqing) Inc.	Floor 7, No.142, Yunhan Avenue, Beibei District, Chongqing, China 400714	86-23-86970666
13. The sub-subsubsidiary of Guangzhou in Shanghai: Chiptopia (Shanghai) Technology Co., Ltd	Building 4, No. 1588, Xinyang Highway, Lingang Special area, Shanghai Pilot Free Trade Zone, China	86-13761232125

14.	The subsidiary in Malaysia: Alchip Technologies Malaysia Sdn. Bhd.	Unit No.20, Level 20, Menara Centara, No.360 Jalantunku Abdul Rahman,50100 Kuala Lumpur W.P. Kuala Lumpur Malaysia	886-2-2799-2318
15.	The subsidiary in Vietnam: Alchip Technologies (Vietnam) Company Limited	64 Nguyen Dinh Chieu Street, Dakao Ward, District 1, Ho Chi Minh City, Vietnam	84-02862751199

III.Members of the Board of Directors

Title	Name	Nationality	Academic Qualifications and Principal Work Experience	
Chairman	Kinying Kwan	U.S., R.O.C.	Academic Qualifications	• B.S. in Electronic Engineering, University of Illinois, U.S.
			Work Experience	• CEO of the Company • Founder of Altius Solutions
Director	Herbert Chang	R.O.C.	Academic Qualifications	• M.S. in Management Science, National Chiao Tung University
			Work Experience	• General Manager of Mutto Optronics Corporation
Director	Johnny Shyang-Lin Shen	U.S., R.O.C.	Academic Qualifications	• B.S. of Electronic Engineering, University of California, Los Angeles, U.S.
			Work Experience	• COO of the Company
Director	Daniel Wang	R.O.C.	Academic Qualifications	• MBA of Baruch College-The City University of New York, U.S.
			Work Experience	• Representative of Fubon Securities Co., Ltd. Shanghai Representative Office
Independent Director	Mao-Wei Hung	R.O.C.	Academic Qualifications	• Ph.D., Finance, Northwestern University, U.S.
			Work Experience	• Professor, Department of International Business, National Taiwan University • Chairman of Board, Taiwan Academy of Banking and Finance
Independent Director	Brian Chiang	R.O.C.	Academic Qualifications	• Master of Business Administration, University of Southern California, U.S.
			Work Experience	• Managing Director of Walden International Taiwan Co., Ltd.
Independent Director	Binfu Chuang	U.S., R.O.C.	Academic Qualifications	• M.S. in Electrical Engineering, Oregon State University, U.S.
			Work Experience	• Director and General Manager of Shanghai SyncMOS Semiconductor Co., Ltd.

IV. Contact information of Share Transfer Agent

Name: Transfer Agent Department of CTBC Bank
Address: 5F., No. 83, Section 1, Chongqing S. Rd., Zhongzheng District, Taipei City 100, Taiwan
Tel: 886-2-6636-5566 Website: <https://www.ctbcbank.com>

V. Contact information of Auditing CPA

CPA Firm: Deloitte & Touche
Name of CPA: Yi-Wen Wang and Li-Chun Chang
Address: 20F.,No. 100, Songren Rd., Xinyi District, Taipei 11073, Taiwan
Tel: 886-2-2725-9988 Website: <https://www.deloitte.com.tw>

VI. Names of stock exchanges where foreign securities are listed and inquiry on the information of foreign securities:

Name of stock exchanges: Luxembourg Stock Exchange
Inquiry on the Information: <https://www.bourse.lu/security/US0137412021/327168>

VII.The Company's web address: <https://www.alchip.com>

Notice to readers

This English-version annual report is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

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I. Letter to Shareholders

Dear Shareholders,

Alchip is a leading ASIC (Application-specific Integrated Circuit) service company specializing in High-Performance Computing (HPC) and AI (Artificial Intelligence) infrastructure applications. Our mission is to deliver cutting-edge System-on-Chip (SoC) solutions and provide a complete turnkey service portfolio, covering the entire value chain from IC design to manufacturing. Guided by our core values of teamwork & dedication, innovation, integrity, and quality, we strive to be the most reliable ASIC partner in the industry.

Our primary objective is to ensure first-time silicon success and accelerate time-to-market for our customers, enabling them to stay ahead in a rapidly evolving technological landscape. By leveraging our proprietary ASIC capability and global resource presence, Alchip is committed to delivering exceptional value to both customers and shareholders.

The year 2024 marked a transformative period for the semiconductor industry, driven by the rapid adoption of AI and the growing demand for HPC solutions. Alchip capitalized on these trends, achieving record revenue and strengthening its position as a leader in advanced ASIC design.

The AI and HPC segments experienced robust growth, particularly in North America and Asia-Pacific, while the automotive sector saw significant milestones as well. Alchip's ability to deliver cutting-edge solutions at advanced technology nodes, including 7nm, 5nm, and 3nm designs along with advanced packaging solutions such as CoWoS and 3DIC, positioned the company as a preferred partner for complex SoC development.

Notably, Alchip engaged in multiple AI core chip projects with customers ranging from cloud service providers' AI accelerators to edge AI computing chips. Furthermore, Alchip also entered the automotive ADAS market through a strategic collaboration with a major car manufacturer, marking a significant expansion into this high-growth segment. The company also made strides in advanced packaging technologies, such as CoWoS, with several 5nm and 3nm tape-outs completed and mass production expected by 2025 and 2026.

AI and HPC applications contributed 94% of revenue, while 97% of revenue came from advanced process designs (7nm and smaller)—a testament to Alchip's technological leadership. These achievements, combined with a strong pipeline of projects entering mass production, underscore the company's ability to deliver value in a dynamic and competitive market.

Operating Performance

Alchip's 2024 operating revenue reached NTD51,969 million, a 70% increase Year-over-Year (YoY) from NTD30,482 million in 2023. Net profit was NTD6,446 million, an 94% increase YoY from NTD3,320 million in 2023. On a US dollar (\$) basis, 2024 operating revenue equaled \$1,618 million, a 65% increase YoY, with net profit of \$200 million, a 88% increase YoY. The 2024 gross margin was 20%, with an operating margin

of 13%. The 2024 return on assets and return on equity were 16% and 22%, respectively. Strong 7nm AI chip shipments to North America drove strong revenue growth in 2024, leading to a significant increase in both revenue and profitability. In addition, net income grew at a faster pace than revenue, reflecting continued improvements in operational efficiency and growth in non-operating income, primarily driven by higher interest income.

The Company does not publish financial forecasts. The annual budget is intended exclusively for internal management and operational analysis.

Technological Developments

In response to customer demands for higher performance, lower power consumption, and smaller chip sizes, Alchip continues to invest in 2024 in the development of advanced process node chip designs, 3DIC design platforms, customized IP, and enhanced collaboration with partners for the optimization and R&D of cutting-edge technologies. The company is focused on integrating the latest System on Wafer (SoW) and Wafer on Wafer (WoW) design and packaging techniques to stay ahead in the industry.

Building on our successful track record with multiple 5nm, 4nm, and 3nm artificial intelligence and high-performance computing design projects, Alchip is advancing its efforts with the implementation of advanced 2.5D/3D packaging technologies. Additionally, we are actively working on 3nm and 2nm chip design projects. With all teams strategically aligned, Alchip is well-positioned to help customers seize market opportunities, introduce the most cutting-edge products, and further solidify its leadership in advanced technology and process design services.

Sales Forecast and Basis

Looking ahead to 2025, with the contractual completion of an AI accelerator ASIC for a North American customer, overall revenue performance is expected to stabilize. However, demand for NRE services and project development remains strong, driven by ongoing momentum in AI and networking applications.

Our process technologies are advancing from 7nm/5nm to 5nm/3nm nodes. In 2025, we will launch multiple 2nm projects, and we expect our enhanced product portfolio to further improve overall profitability.

Corporate Developments

To enhance our engineering resources and business development initiatives, Alchip expanded its influence in North America, Japan, Taiwan, and Southeast Asia. Alchip is dedicated to staying ahead of the significant increase in customers demand in these two markets and will develop more advanced process design technology to meet these needs. Our goal is to become a leading brand in the ASIC industry.

Outlook for the future

Looking ahead, Alchip is well-positioned to capitalize on the transformative opportunities in the semiconductor industry. The company will continue to leverage its ASIC leadership in advanced process technologies and its expertise in HPC, AI, and Automotive markets to drive sustained growth.

Alchip plans to aggressively pursue advancements in 3DIC chiplet designs, novel IO chiplet solutions, and next-generation process technologies like 1.6nm, ensuring it remains at the forefront of innovation. These efforts will enable the company to meet the evolving demands of AI-driven applications and next-generation HPC solutions.

Strategically, Alchip will focus on expanding its presence in North America and strengthening alliances with major system houses and cloud service providers. These initiatives will enhance the company's market share and reinforce its position as a trusted ASIC partner in the semiconductor industry.

Financially, Alchip is confident in its ability to achieve strong revenue and profit growth in 2025, driven by robust demand for advanced ASIC solutions and the successful execution of its strategic initiatives. The company remains committed to delivering innovative, cost-effective solutions that create value for customers and shareholders alike.

In closing, Alchip extends its gratitude to its employees for their dedication and to its shareholders for their continued support. Together, we look forward to a future of sustained growth, innovation, and success.



Kinying Kwan
Chairman

II. Corporate Governance Report

2.1 Company Profile

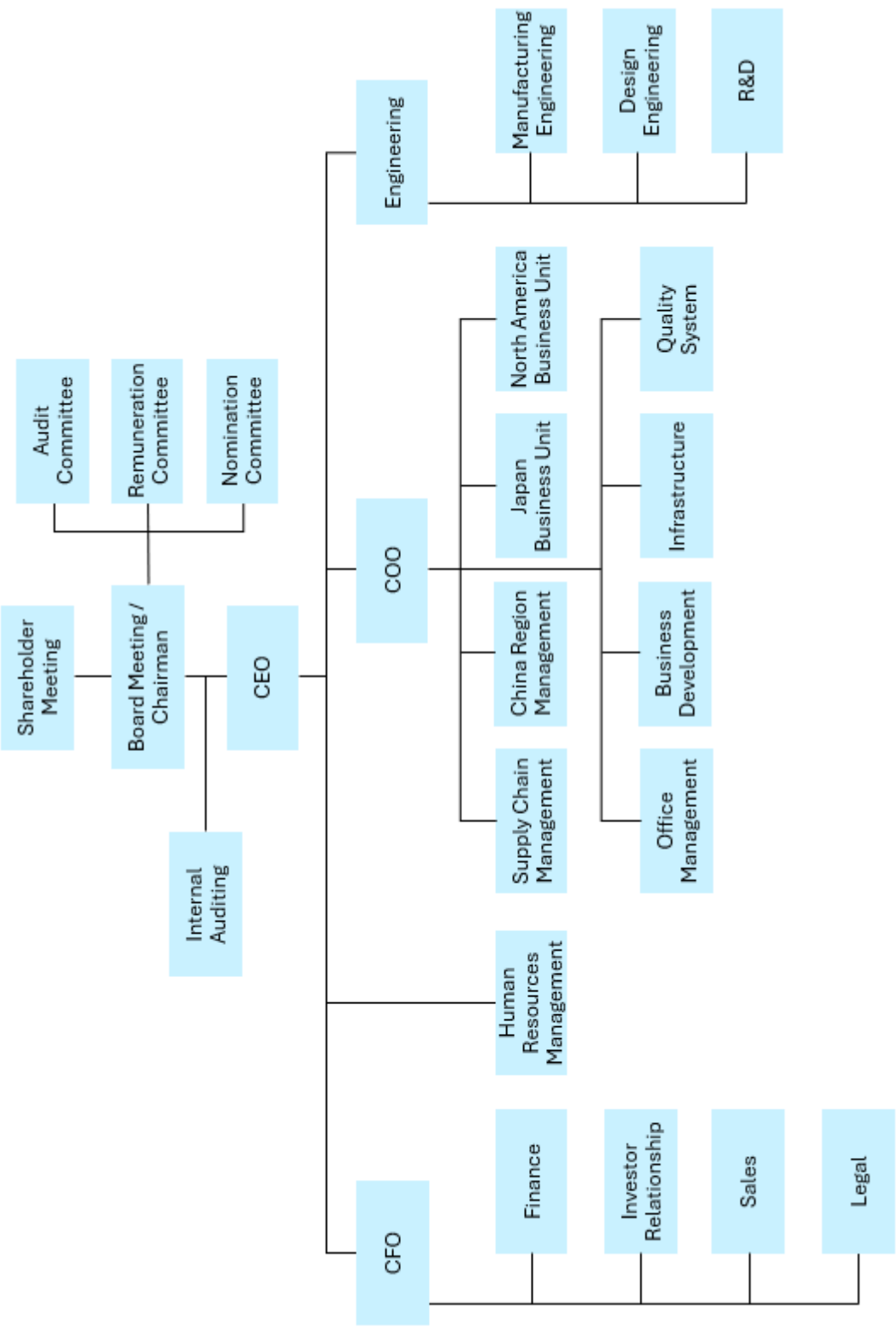
2.1.1 Date of Establishment and Company Introduction

Founded in the British Cayman Islands on February 27, 2003 by the core technical team of a well-known Silicon Valley System-on-Chip company under the leadership of Chairman Kinying Kwan, Alchip Technologies, Limited (hereinafter referred to as the “Company” or “Alchip”) is a leading provider of silicon design and manufacturing services for system companies developing high-complexity and high-volume application-specific integrated circuit (ASIC) and System-on-Chip (SoC) integrated circuit (IC).

Headquartered in Taipei, Taiwan, Alchip has established an ASIC manufacturing center in Hsinchu. Based on its global development policy, the Company has established subsidiaries in China, Japan, and North America (hereinafter referred to as the “Group”). The Company had a total of 597 employees in December 2024. The Group’s management team possesses many years of in-depth IC design service experience. The team is composed of SoC design experts from Silicon Valley and Japan, with an average of over 20 years of semiconductor industry management experience. Their capability for high-end process and chip design has proven to be superior to that of industry competitors. Three years after starting business, the Company completed many ASIC designs, ranging from 0.13-microns down to 65nm and moved them into mass production. In 2009, it started mass-production of 40nm designs and, in 2013, started designing at the 28nm node. From 2016 to 2017, the Company successfully completed several super-computer 28nm and 16nm designs and, from 2018 to 2020, completed several 7nm to 12nm high-performance design projects. In 2021, Alchip completed, prototyped, and began volume production of its first 7nm designs targeting artificial intelligence and high-performance computing applications. In 2022, Alchip has taped out several designs featuring advanced packaging technology, including 7nm, 6nm, and 5nm designs. In addition, a 4nm test chip has also been taped out. In 2023, Alchip successfully taped out a 3nm chip in the first quarter of 2023. In 2024, Alchip successfully taped out a 2nm test chip. By the end of 2024, Alchip has taped out a significant number of designs across 7nm, 6nm, 5nm, and 3nm nodes, with many involving advanced packaging technologies such as Chip-on-Wafer-on-Substrate (CoWoS) and Integrated Fan-Out (InFO).

Alchip focuses on ASIC and SoC designs that target FinFET (16nm and below) deep submicron manufacturing processes. The Company helps ASIC and SoC customers complete low-cost and highly complex IC design in the shortest time and to speed their time-to-market. The Company has completed more than 500 designs. Alchip focuses on three main market segments: Artificial Intelligence and High-performance Computing; Communication Network Equipment; and other consumer and medical businesses covering products high-definition television, digital cameras, entertainment systems, mobile broadband, medical devices, and medical monitoring systems. The company also began to enter the automotive field in response to the growing demand in the market.

2.1.2 Organization Cart



2.2 Information on the Company's Directors, Supervisors, General Managers, Vice Presidents, Deputy Managers and Heads of All the Company's Divisions and Branches

2.2.1 Information on Directors

March 31, 2025

Title	Nationality	Name	Gender Age	Date Elected	Term of Office	Date of First Electe d	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Academic Qualifications & Major Experience	Other Position	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Remark
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman	U.S.A, R.O.C.	Kinying Kwan	Male 61~70 Years	06/10/ 2022	3	02/27/ 2003	431,000	0.60%	260,000	0.32%	0	0%	0	0%	Academic Qualifications: ■ B.S. in Computer Engineering, University of Illinois, U.S. Work Experience: ■ CEO of the Company ■ Founder of Altius Solutions	■ Director of the Company's subsidiary in Taiwan ■ Director of the Company's subsidiary in Japan ■ Director of the Company's subsidiary in Hong Kong	None	None	None	
Director	U.S.A, R.O.C.	Johnny Shyang-Lin Shen	Male 51~60 Years	06/10/ 2022	3	05/18/ 2011	1,441,652	2.02%	1,721,652	2.13%	0	0%	0	0%	Academic Qualifications: ■ B.S. in Electronic Engineering, University of California, Los Angeles, U.S. Work Experience: ■ COO of the Company	■ GM of the Company's subsidiary in Taiwan ■ Managerial Officer of the Company's branch in Taiwan ■ Director of the Company's subsidiary in U.S. ■ Supervisor of the Company's sub-subsidiary in Wuxi ■ Supervisor of the Company's sub-subsidiary in Hefei ■ Supervisor of the Company's sub-subsidiary in Jinan ■ Supervisor of the Company's sub-subsidiary in Guangzhou ■ Director of the Company's sub-subsidiary in Chongqing	None	None	None	

1. Professional qualifications of Directors and independence information of Independent Directors

Criteria Name	Professional Qualification and Work Experience	Independence Criteria	Number of Other Taiwanese Public Companies Concurrently Serving as an Independent Director
Kinying Kwan	Kinying Kwan holds a Bachelor's degree in Computer Engineering in University of Illinois. He founded Altius Solutions in Silicon Valley, U.S. which was acquired with Simplex Solutions, a well-known EDA company. The company listed on the stock exchange in 2001. Then he founded Alchip Technologies in 2002 and brought his successful experience to Alchip. Kinying Kwan is not under any conditions defined in Article 30 of the Company Law.	Not applicable	0
Herbert Chang	Herbert Chang holds a Master degree in Management Science in National Chiao Tung University (It's called National Yang Ming Chiao Tung University since 2021). He has over 25 years investment experiences, with focus on companies in IC design, semiconductor, telecommunications, internet, hardware/ software, and other technology industries. Herbert Chang has led several portfolios listing in Taiwan and U.S. capital market and is/has been the board director of Taiwan/U.S.- listed technology companies. He had been the President of InveStar Capital Inc. from 1996 to 2015 and has been the general partner of GrowStar Partners Group Limited since 1998. Herbert Chang is not under any conditions defined in Article 30 of the Company Law.	Not applicable	0
Johnny Shyang-Lin Shen	Johnny Shyang-Lin Shen has a Bachelor's degree in Electronic Engineering in University of California, Los Angeles. He has experiences in IC industry and management for over 25 years. He joined Altius Solutions which was set up by Mr. Kinying Kwan. Johnny Shyang-Lin Shen co-founded Alchip Technologies with Kinying Kwan in 2002 and was appointed as CEO of Alchip. He has excellent experience and abilities in operation, business, Finance and management in IC industry. Johnny Shyang-Lin Shen is not under any conditions defined in Article 30 of the Company Law.	Not applicable	0
Daniel Wang	Daniel Wang holds a MBA of Baruch College, The City University of New York and has a master degree in Information Management in California Polytechnic State University. He was a representative of Fubon Securities Co., Ltd. Shanghai Representative Office before he joined Alchip Technologies. With the experience as a profession, Daniel Wang has expertise in finance analysis, investment, investor relationship and management. Daniel Wang is not under any conditions defined in Article 30 of the Company Law.	Not applicable	0

Mao-Wei Hung	Mao-Wei Hung holds a B.A. in Economics in National Taiwan University, a M.A. in Economics in University of Wisconsin-Madison and a PhD in Finance, Northwestern University. He taught in Northwestern University and McGill University. He is a Chair Professor in National Taiwan University. He has expertise in finance, accounting and corporate governance. Hence, he supports corporate governance for Board, Audit Committee and Remuneration Committee. Mao-Wei Hung is not under any conditions defined in Article 30 of the Company Law.	Mao-Wei Hung is an independent director who is in compliance with the criteria for independence, not a director, supervisor, or employee of the Company or its affiliates; including but not limited to the person himself/herself, spouses or second-degree relatives; not holding shares of the Company; not serving as a director, supervisor or an employee of a company with which the Company has a specific relationship; not having received any remuneration for commercial, legal, financial and accounting services provided by the Company or its affiliates in the past two years.	2
Brian Chiang	Brian Chiang holds a Master degree in Business Administration in University of Southern California. He was Marketing Director in New Idea Electronic Corporation. He is currently a Managing Director of Walden International Taiwan Co., Ltd. and in charge of business in electronic and semiconductor industry. With expertise in the field of corporate governance, finance and accounting, business and technology, Brian Chiang supports corporate governance for Board, Audit Committee and Remuneration Committee. Brian Chiang is not under any conditions defined in Article 30 of the Company Law.	Brian Chiang is an independent director who is in compliance with the criteria for independence, not a director, supervisor, or employee of the Company or its affiliates; including but not limited to the person himself/herself, spouses or second-degree relatives; not holding shares of the Company; not serving as a director, supervisor or an employee of a company with which the Company has a specific relationship; not having received any remuneration for commercial, legal, financial and accounting services provided by the Company or its affiliates in the past two years.	0
Binfu Chuang	Binfu Chuang has a M.S. degree in Oregon State University. He worked as Director and General Manager of Shanghai SyncMOS Semiconductor Co., Ltd. in past years. Binfu Chuang focused on the management and strategy in Semiconductor industry for years. With expertise in the field of corporate governance, business and technology, he supports corporate governance for Board, Audit Committee and Remuneration Committee. Binfu Chuang is not under any conditions defined in Article 30 of the Company Law.	Binfu Chuang is an independent director who is in compliance with the criteria for independence, not a director, supervisor, or employee of the Company or its affiliates; including but not limited to the person himself/herself, spouses or second-degree relatives; not holding shares of the Company; not serving as a director, supervisor or an employee of a company with which the Company has a specific relationship; not having received any remuneration for commercial, legal, financial and accounting services provided by the Company or its affiliates in the past two years.	0

2. Diversity and independence of Board

(1) Diversity of Board: The Company has stated the diversification policy for composition of the Board members in Corporate Governance Best Practice Principles and adopted the policy. To achieve the better corporate governance, each Board member has his own specialized field and knowledge of industry. The Board of Directors shall possess the ability to make operational judgments, ability to perform accounting and financial analysis, ability to conduct management administration, ability to conduct crisis management, knowledge of the industry, an international market perspective, ability to lead and ability to make policy decisions. The Board consists of seven Directors, in which three of them are Independent Directors and two of them are employed by the Company (It is about 28.6%). There is no female in the Board of the

Company currently. In order to achieve the goal of diversity, the female Board Director will be considered when the re-election of Board is taken in 2025 for the gender equality. As of December 31, 2024, one of Board Directors is in the age range 41~50. Others are over 50 years old. Please refer to II. The information of Board of Directors in Corporation Governance section for the Board Director's gender, professional qualification and experience etc.

(2) Independence of Board: The Board consists of seven Directors, in which three of them are Independent Directors (It is about 42.9%). A spousal relationship and a familial relationship within the second degree of kinship are not exist among the Independent Directors based on 3 and 4 in Article 26-3 of the Securities and Exchange Act. Independent Directors all comply with the relevant regulations which are set by Securities and Futures Bureau.

2.2.2 Information of General Managers, VPs, Deputy General Managers and Heads of All the Company's Divisions and Branches

March 31, 2025

Title	Nationality	Name	Gender	Date of Inauguration	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Academic Qualifications & Major Experience	Position(s) Held Concurrently in any Other Company	With Spouse or Relative Within the Second Degree of Kinship who is a Managerial Officer			Remark
					Shares	Holding Percentage	Shares	Holding Percentage	Shares	Holding Percentage			Title	Name	Relation	
CEO	U.S., R.O.C.	Johnny Shyang-Lin Shen	Male	01/01/2010	1,721,652	2.13%	0	0%	0	0%	Academic qualifications: ■ B.S. in Electrical Engineering, University of California, Los Angeles, U.S. Work experience: ■ COO of the Company	■ GM of the Company's subsidiary in Taiwan ■ Managerial Officer of the Company's branch in Taiwan ■ Director of the Company's subsidiary in U.S. ■ Supervisor of the Company's sub-subsiidiary in Wuxi ■ Supervisor of the Company's sub-subsiidiary in Hefei ■ Supervisor of the Company's sub-subsiidiary in Jinan ■ Supervisor of the Company's sub-subsiidiary in Guangzhou ■ Director of the Company's sub-subsiidiary in Chongqing	None	None	None	
Vice President	R.O.C.	Andy Lin	Male	11/11/2016	224,167	0.28%	0	0%	0	0%	Academic qualifications: ■ MBA, University of Oxford ■ B.S. in Business Administration, National Taiwan University Work experience: ■ Sales Manager of Logitech International S.A.	■ Chairman and GM of the Company's sub-subsiidiary in Wuxi ■ Chairman and GM of the Company's sub-subsiidiary in Hefei ■ Chairman and GM of the Company's sub-subsiidiary in Jinan ■ Chairman and GM of the Company's sub-subsiidiary in Shanghai ■ Chairman and GM of the Company's sub-subsiidiary in Guangzhou ■ Chairman and GM of the Company's sub-subsiidiary in Chongqing	None	None	None	

Title	Nationality	Name	Gender	Date of Inauguration	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Academic Qualifications & Major Experience	Position(s) Held Concurrently in any Other Company	With Spouse or Relative Within the Second Degree of Kinship who is a Managerial Officer			Remark
					Shares	Holding Percentage	Shares	Holding Percentage	Shares	Holding Percentage			Title	Name	Relation	
												■ Director of Chiptopia (Shanghai) Technology Co., Ltd ■ Director of the Chiptopia (Shanghai) Technology Co., Ltd				
Vice President	Japan	Hiroyuki Furuzono	Male	03/04/2022	40,000	0.05%	0	0%	0	0%	Academic qualifications: ■ B.S., Science and Engineering, Waseda University Work experience: ■ SoC Design Engineer of Cadence Design Systems, Inc. ■ SoC Design Engineer of Altius Solutions, Inc.	■ Chairman, GM and Director of the Company's subsidiary in Japan	None	None	None	
Sr. Vice President	R.O.C.	Dave Hwang	Male	03/05/2021	275,000	0.34%	0	0%	0	0%	Academic qualifications: ■ Ph.D. in Materials Science and Engineering, North Carolina State University ■ MS., Virginia Tech Work experience: ■ Senior Manager of TSMC Marketing and Business Development Division ■ Vice President Worldwide Sales and Marketing of GUC	■ GM of the Company's subsidiary in U.S.	None	None	None	
Sr. Vice President	R.O.C., Canada	Leo Cheng	Male	08/15/2012	170,187	0.21%	0	0%	0	0%	Academic qualifications: ■ M.S. in Electrical Engineering, University of Southern California, U.S.	■ Director of the Company's sub-subsiary in Wuxi ■ Director of the Company's sub-subsiary in Hefei ■ Director of the Company's sub-subsiary in Jinan ■ Director of the Company's sub-subsiary in Guangzhou	None	None	None	

Title	Nationality	Name	Gender	Date of Inauguration	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Academic Qualifications & Major Experience	Position(s) Held Concurrently in any Other Company	With Spouse or Relative Within the Second Degree of Kinship who is a Managerial Officer			Remark
					Shares	Holding Percentage	Shares	Holding Percentage	Shares	Holding Percentage			Title	Name	Relation	
											Work experience: ■ Sr. Engineer of Cirrus Logic Inc. ■ Engineer of Stream Machine Company	■ Director of the Company's sub-subsiary in Chongqing ■ Director of the Chiptopia (Shanghai) Technology Co., Ltd ■ Director of the Company's subsidiary in Malaysia ■ Director of the Company's sub-subsiary in Vietnam				
Vice President	R.O.C.	Robert Chang	Male	11/03/2017	153,250	0.19%	0	0%	0	0%	Academic qualifications: ■ B.S. in Business Administration, Soochow University Work experience: ■ Sales Director of Macrotech Semiconductor Corporation ■ Sales Manager of Formosa Advanced Technologies Co., LTD.	None	None	None	None	
CFO	R.O.C.	Daniel Wang	Male	12/29/2011	100,000	0.12%	200,000	0.25%	0	0%	Academic qualifications: ■ MBA of Baruch College-The City University of New York, U.S. Work experience: ■ Representative of Fubon Securities Co., Ltd. Shanghai Representative Office	■ Director of Alchip's BVI incorporated subsidiary ■ Director of the Company's sub-subsiary in Wuxi ■ Director of the Company's sub-subsiary in Hefei ■ Director of the Company's sub-subsiary in Jinan ■ Director of the Company's sub-subsiary in Guangzhou ■ Director of the Chiptopia (Shanghai) Technology Co., Ltd ■ Director of the Company's subsidiary in Malaysia ■ Chairman of the Company's sub-subsiary in Vietnam	None	None	None	

Title	Nationality	Name	Gender	Date of Inauguration	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Academic Qualifications & Major Experience	Position(s) Held Concurrently in any Other Company	With Spouse or Relative Within the Second Degree of Kinship who is a Managerial Officer			Remark
					Shares	Holding Percentage	Shares	Holding Percentage	Shares	Holding Percentage			Title	Name	Relation	
Vice President	R.O.C.,Canada	Peter Teng	Male	03/15/2019	112,671	0.14%	0	0%	0	0%	Academic qualifications: ■ B.S in Computer Science, University of Toronto, Canada Work experience: ■ Engineer of ATI Technologies Inc.	■ Director of the Company's subsidiary in Malaysia ■ Director of the Company's sub-subsidiary in Vietnam	None	None	None	
Financial Controller	China	Yuki Jin (Note 2)	Female	-	-	-	-	-	-	-	-	-	-	-	-	
Financial Controller	R.O.C	Nancy Chan (Note 3)	Female	09/01/2024	128,000	0.16%	0	0%	0	0%	Academic qualifications: ■ M.S. in Risk Management, University of Reading, U.K ■ B.S. in Accounting, National Taiwan University Work experience: ■ Deputy Manager of Deloitte & Touche	■ Director of Alchip's BVI incorporated subsidiary	None	None	None	

Note 1: Where the general manager or person of an equivalent post (the highest level manager) and the chairperson of the board of directors of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto: No such thing.

Note 2: Ms. Yuki Jin stepped down as executive of the Company on September 1, 2024.

Note 3: Ms. Nancy Chan became an executive of the Company on September 1, 2024.

Range of Remuneration	Name of Directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The Company	Companies in the Consolidated Financial Statements	The Company	Companies in the Consolidated Financial Statements
Under NT\$ 1,000,000	-	-	-	-
NT\$1,000,000 (inclusive) ~ NT\$2,000,000 (exclusive)	-	-	-	-
NT\$2,000,000 (inclusive) ~ NT\$3,500,000 (exclusive)	-	-	-	-
NT\$3,500,000 (inclusive) ~ NT\$5,000,000 (exclusive)	Herbert Chang, Mao-Wei Hung, Brian Chiang, Binfu Chuang, Johnny Shyang-Lin Shen, Daniel Wang	Herbert Chang, Mao-Wei Hung, Brian Chiang, Binfu Chuang, Johnny Shyang-Lin Shen, Daniel Wang	Herbert Chang, Mao-Wei Hung, Brian Chiang, Binfu Chuang	Herbert Chang, Mao-Wei Hung, Brian Chiang, Binfu Chuang
NT\$5,000,000 (inclusive) ~ NT\$10,000,000 (exclusive)	-	-	-	-
NT\$10,000,000 (inclusive) ~ NT\$15,000,000 (exclusive)	Kinying Kwan	Kinying Kwan	Kinying Kwan	Kinying Kwan
NT\$15,000,000 (inclusive) ~ NT\$30,000,000 (exclusive)	-	-	-	-
NT\$30,000,000 (inclusive) ~ NT\$50,000,000 (exclusive)	-	-	Daniel Wang	Daniel Wang
NT\$50,000,000 (inclusive) ~ NT\$100,000,000 (exclusive)	-	-	Johnny Shyang-Lin Shen	Johnny Shyang-Lin Shen
Over NT\$100,000,000	-	-	-	-
Total	7	7	7	7

B. Remuneration to Supervisors: It is not applicable as the Company does not have supervisors.

C. Remuneration to General Managers and Vice Presidents

December 31, 2024; Unit : NT\$ thousand

Title	Name	Salary(A)		Severance Pay and Pensions (B)		Bonuses and Allowance (C)		Employees' Compensation (D)				total compensation (A+B+C+D)		Ratio of total compensation (A+B+C+D) to net income after tax(%)		Compensation Received from Non-consolidated subsidiary
CEO	Johnny Shyang-Lin Shen	The Company	283,195	The Company	1,165	The Company	-	The Company	Cash	-	-	284,360	284,360	4.41%	4.41%	N/A
Vice President	Hiroyuki Furuzono															
Sr. Vice President	Dave Hwang	The Company	283,195	The Company	1,165	The Company	-	The Company	Stock	-	-	284,360	284,360	4.41%	4.41%	N/A
Vice President	Andy Lin															
Sr. Vice President	Leo Cheng	The Company	283,195	The Company	1,165	The Company	-	The Company	Cash	-	-	284,360	284,360	4.41%	4.41%	N/A
Vice President	Robert Chang															
CFO	Daniel Wang	The Company	283,195	The Company	1,165	The Company	-	The Company	Stock	-	-	284,360	284,360	4.41%	4.41%	N/A
Vice President	Peter Teng															
Financial Controller	Yuki Jin (Note 1)	The Company	283,195	The Company	1,165	The Company	-	The Company	Cash	-	-	284,360	284,360	4.41%	4.41%	N/A
Financial Controller	Nancy Chan (Note 2)															

Note 1: Ms. Yuki Jin stepped down as executive of the Company on September 1, 2024.

Note 2: Ms. Nancy Chan became an executive of the Company on September 1, 2024.

Remuneration Scale Table

Remuneration Scale to the Company's General Managers and VPs	Name of General Managers and VPs	
	The company	Companies in the Consolidated Financial Statements
Under NT\$ 1,000,000	-	-
NT\$1,000,000 (inclusive) ~ NT\$2,000,000 (exclusive)	-	-
NT\$2,000,000 (inclusive) ~ NT\$3,500,000 (exclusive)	-	-
NT\$3,500,000 (inclusive) ~ NT\$5,000,000 (exclusive)	Yuki Jin	Yuki Jin
NT\$5,000,000 (inclusive) ~ NT\$10,000,000 (exclusive)	-	-
NT\$10,000,000 (inclusive) ~ NT\$15,000,000 (exclusive)	Hiroyuki Furuzono, Nancy Chan	Hiroyuki Furuzono, Nancy Chan
NT\$15,000,000 (inclusive) ~ NT\$30,000,000 (exclusive)	Andy Lin, Dave Hwang, Peter Teng	Andy Lin, Dave Hwang, Peter Teng
NT\$30,000,000 (inclusive) ~ NT\$50,000,000 (exclusive)	Daniel Wang, Robert Chang, Leo Cheng	Daniel Wang, Robert Chang, Leo Cheng
NT\$50,000,000 (inclusive) ~ NT\$100,000,000 (exclusive)	Johnny Shyang-Lin Shen	Johnny Shyang-Lin Shen
Over NT\$100,000,000	-	-
Total	10	10

D. Employees' bonus paid to Managerial Officers

December 31, 2024; Unit: NT\$ thousand

	Title	Name	Stock Dividend	Cash Dividend	Total	Percentage of the Total Amount to the Net Income After Tax (%)
Executive Officers	CEO	Johnny Shyang-Lin Shen				0%
	Vice President	Hiroyuki Furuzono				
	Sr. Vice President	Dave Hwang				
	Vice President	Andy Lin				
	Sr. Vice President	Leo Cheng				
	Vice President	Robert Chang				
	CFO	Daniel Wang				
	Vice President	Peter Teng				
	Financial Controller	Yuki Jin (Note 1)				
	Financial Controller	Nancy Chan (Note 2)				
			0	0	0	

Note 1: Ms. Yuki Jin stepped down as executive of the Company on September 1, 2024.

Note 2: Ms. Nancy Chan became an executive of the Company on September 1, 2024.

E. Comparison of the remunerations to Directors, General Managers, and VPs in proportion to the net income after tax from the Company and companies included in the consolidated financial statements in the most recent 2 years, and specify the policies, standards, packages, procedures for determining remunerations and correlation with business performance and future risks

1. The ratio of total remuneration paid by the Company and by all companies included in the consolidated financial statements for the two most recent years to Directors, General Managers, and VPs of the Company to the net income

Title	Ratio of the Total Remuneration Amount to the Net Income After Tax (%)			
	2023		2024	
	The Company	Companies in the Consolidated Financial Statements	The Company	Companies in the Consolidated Financial Statements
Directors	1.48%	1.48%	0.91%	0.91%
GMs, and VPs	8.75%	8.75%	4.41%	4.41%

2. The policies, standards, and portfolios for the payment of remuneration, the procedures for determining remuneration, and the correlation with business performance

- (1) Remuneration to Directors are determined by the position at the Company, participation, contribution and also the results of Directors' performance evaluation. The criteria for evaluating the performance of the board members covers the following six aspects: Alignment of the goals and missions of the company, Awareness of the duties of a director, Participation in the operation of the company, Management of internal relationship and communication, the Director's professionalism & continuing education and Internal control, promote the company's sustainable development goals (environmental, social, corporate governance aspects), etc., and provide reasonable remuneration. The amount of the remuneration should be recommended by the remuneration committee and submitted to the board of directors for approval, and should take into account the director's service scope and value to the company and the domestic and foreign industry standard. According to the company's articles of association, the amount should not exceed 2% of the company's annual profit.
- (2) Remuneration to the company's management is determined according to the Company's regulations and HR policies, while taking into account each individual's position, performance and contribution to the company's overall operation, and the achievement rate of sustainable development goals (environmental, social, and corporate governance aspects), and other factors. The remuneration is calculated with reference to industry standards and consideration of the company's future risks. The remuneration of the company's executives is evaluated by the remuneration committee and submitted to the board of directors for approval. The remuneration system and standard will be reviewed and adjusted as needed based on actual business conditions and relevant laws and regulations. To incentivize company's executives to focus on the company's long-term overall performance and achieve sustainable development goals, starting in 2024, the company's sustainable development strategy and goals will be linked to the incentive system for company's executives. The achievement of sustainable goals will be used as a factor in the final performance evaluation, with adjustments of plus or minus 5% based on the final score.

Management 's ESG KPIs are as follows,

Sustainable Development Goals	ESG KPI
Environmental	• Reduce greenhouse gas emissions • Diversify energy sources, increase the use of renewable energy
Social	• Talent cultivation and development • Workplace diversity and human rights protection • Occupational safety and health
Corporate Governance	• Integrity in business and transparent governance • Green supply chain management • Board diversity

(3) Correlation between the business performance and future risk exposure

We have established a Remuneration Committee to pay remuneration to directors and managerial officers (including president and vice president). Remuneration is determined by the Remuneration Committee based on the individual's education and experience, the general pay levels in the industry, the individual's degree of contribution to the Company and operational performance, while taking into account the operational risks, transaction risks and financial risks that the Company may face in the future and in accordance with the relevant management regulations. The Remuneration Committee meets at least once a year to review the performance assessment of the directors and managerial officers as well as the remuneration policy, system, standards and structure of the remuneration. The Remuneration Committee assesses and determines remuneration for directors and managerial officers and proposes recommendations on assessment results, which are submitted to the Board meeting for discussion. Therefore, there are no significant future risks.

2.4 Implementation Status of Corporate Governance

2.4.1 Operations of the Board

A total of seven (A) meetings of the Board of Directors were held in 2024 and the current year up to the date of publication of the annual report with their attendance shown as follows.

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) 【B/A】	Remarks
Chairman	Kinying Kwan	7	0	100%	
Director	Herbert Chang	7	0	100%	
Director	Johnny Shyang-Lin Shen	7	0	100%	
Director	Daniel Wang	7	0	100%	
Independent Director	Mao-Wei Hung	7	0	100%	
Independent Director	Brian Chiang	7	0	100%	
Independent Director	Binfu Chuang	7	0	100%	

Other mentionable items :

1. The operation of the Board with any of the following conditions, the date of Board meeting, term, agenda items, all opinions of Independent Directors, and how the company handles opinions of Independent Directors should be stated clearly :

(1) For matters specified in Article 14-3 of the Securities Exchange Act.

Date of Board meeting	Term	Agenda items	Opinions of Independent Directors	The Company's Conduct for the opinions of Independent Directors
03/01/2024	The 1 st in 2024	- The bonus scheme for the employees and Directors for the year of 2023 was approved. - The monthly remuneration scheme for the Directors for the year of 2024 was approved. - The investment plan of Adoresys Pte. Ltd. was approved. - The grant list of 2023 Employee Stock Option was approved. - The prohibition on Directors to be released from the participation in competitive business was approved.	None	None
04/16/2024	The 2 nd in 2024	- The proposed private placements of common shares and be submitted to the annual general meeting on May 30, 2024 was approval. - The prohibition on Directors to be released from the participation in competitive business was approved.	None	None
05/03/2024	The 3 rd in 2024	- The capital increase to the Company's BVI subsidiary was approved. 2024 Employee Stock Option Plan was approved.	None	None
05/14/2024	The 1 st extraordinary in 2024	The termination of Year 2023 private placements of common shares was approved.	None	None
08/23/2024	The 4 th in 2024	- The change of the accounting officer of the Company was approved. - The subsequently ratification for the amendments of 2024 Employee Stock Option Plan was approved.	None	None

		The grant list of 2024 Employee Stock Option was approved.		
11/1/2024	The 5 th in 2024	- The evaluation and appointment of Certified Public Accountant were approved. - The “Rules Governing Financial and Business Matters Between this Corporation and its Related Parties”, “Risk Management Policy”, “Internal Control System and Internal Audit Procedures - Management of Sustainability Information” and “Ethical Corporate Management Best Practice Principles” were approved. - The grant list of 2024 Employee Stock Option was approved.	None	None
02/27/2025	The 1 st in 2025	- The bonus scheme for the employees and Directors for the year of 2024 was approved. - The monthly remuneration scheme for the Directors for the year of 2025 was approved. - The change of Certified Public Accountant was approved. - The election of seven newly Directors (including four Independent Directors) at the upcoming Annual General Meeting scheduled on May 29, 2025 was approved. - The prohibition on newly Directors elected at the Annual General Meeting to be released from the participation in competitive business was approved.	None	None

(2) Except the former item, other Board resolutions where Independent Directors have expressed opposition or qualified opinions that have been noted in the record or declared in writing: None.

2. If there are Directors’ avoidance of motions in conflict of interest, the Directors’ names, contents of motion, causes for avoidance and voting should be specified : Director, Johnny Shyang-Lin Shen and Director, Daniel Wang did not participate in the meeting of the Board of Directors held on March 1, 2024 and February 27, 2025 for discussion and voting on bonuses paid to Executives due to avoidance of conflict of interest.

3. The information of the Evaluation cycles, evaluation periods, scope and method of evaluation for the Self-evaluation (or Peer evaluation) of the Board of Directors:

Evaluation cycles	Evaluation periods	Scope of Evaluation	Method of Evaluation	Content of Evaluation
Once a year	1/1/2024~10/31/2024	The Board and each board member	The evaluation of the board as a whole and the Self-evaluation of Board members	The evaluation was completed by the end of fourth quarter of 2024. The criteria for the evaluation of the board as a whole covers Participation in the operation of the company; Improvement of the quality of the board of directors' decision making; Composition and structure of the board of directors; Election and continuing education of the directors; and Internal control. Moreover, the criteria for the self-evaluation of board members covers Alignment of the goals and missions of the company; Awareness of the duties of a director; Participation in the operation of the company; Management of internal relationship and communication; The director's professionalism and continuing education; and Internal control. The results for the evaluations are both between 5 (Strongly agree) and 4 (Agree). The board members all agree the operation of board was good.
Every three years	1/1/2023~9/12/2024	The Board and each functional committee	An evaluation carried out by an independent external professional organization	The evaluation committee members from the Taipei Foundation of Finance think that the overall operations of the company's Board of Directors comply with relevant regulatory requirements and offer the following four recommendations: 1. To strengthen the company's corporate governance system, it is advisable to prioritize the establishment of operational guidelines for financial and business dealings with related parties. These should be disclosed on the company website to safeguard shareholders' rights and interests. 2. The current independent directors of the company have served more than three consecutive terms. It is recommended that the next Board of

					Directors consider a partial re-election and the inclusion of female directors to enhance board functionality and diversity. 3. In response to the company's rapid overall growth, it is suggested to develop a comprehensive and clearly defined succession plan for directors and senior management. This plan should be reviewed and adjusted regularly as needed and may be appropriately disclosed on the company website. 4. As the company's operations continue to grow annually, risk management should be further strengthened. It is recommended to appropriately increase staffing in audit and information security functions. In light of international trends in sustainable development, the company may consider reassigning the CFO's dual role as corporate governance supervisor to enhance the effectiveness of governance-related practices.
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4. Measures taken to strengthen the functions of the Board (such as the establishment of audit committee, enhancement on information transparency) during the current year and past year and evaluation of measures :

The Audit Committee and Remuneration Committee were established on Oct. 29, 2010 and May 18, 2011 respectively and have assisted the Board in fulfilling its responsibilities in accordance with the Audit Committee Charter and Remuneration Committee Charter.

In order to improve the operation efficiency of the board of directors, we have established "Regulations Governing the Board Performance Evaluation" on March 6, 2020 to enhance the company's board functions.

5. The attendance of Independent Directors

◎: Attend in Person; ☆:Proxy; * :Absent

Term Name	The 1 st in 2024	The 2 nd in 2024	The 3 rd in 2024	The 4 th in 2024	The 5 th in 2024	The 6 th in 2024	The 1 st in 2025
Mao-Wei Hung	◎	◎	◎	◎	◎	◎	◎
Brian Chiang	◎	◎	◎	◎	◎	◎	◎
Binfu Chuang	◎	◎	◎	◎	◎	◎	◎

2.4.2 Operation of Audit Committee

A total of seven (A) Audit Committee meetings were held in 2024 and the current year up to the date of publication of the annual report. Records of attendance by independent directors are shown as follows :

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) 【 B / A 】	Remarks
Independent Director	Mao-Wei Hung	7	0	100%	
Independent Director	Brian Chiang	7	0	100%	
Independent Director	Binfu Chuang	7	0	100%	

Other mentionable items :

1. The main function of the Committee is to supervise the following matters :

- (1)The reliability and integrity of the financial report of the Company.
- (2)Appointment(and dismissal), independence and performance of certified public accountants of the Company.
- (3)The effective implementation of the internal control system of the Company.
- (4)Compliance with relevant laws and regulations of the Company.
- (5)Management of the existing or potential risks of the Company.

- Review financial reports

The Company prepared 2024 Business Report, Consolidated Financial Statements, and Dividend Distribution proposal. The Consolidated Financial Statements have been duly audited by Deloitte & Touche. The above Business Report, Consolidated Financial Statements and Dividend Distribution proposal have been examined and approved by the Audit Committee.

- Evaluation the effectiveness of the internal control system

The audit committee evaluated the effectiveness of the policies and procedures of the company's internal control system (including financial, operational, risk management, information security, outsourcing, compliance by laws and regulations, etc.) and reviewed the periodic reports from the company's audit department, CPA and executives. The audit committee believes that the company's risk management and internal control system were effectiveness, and the company already supervised and corrected illegal behaviors through a control mechanism.

- Appointment of CPA

In order to ensure the independence and suitability of certified accounting firms, the company evaluates the independence and competence of the CPA based on the Accountants' Professional Ethics No. 10 "Integrity, Fairness, Objectivity, and Independence" and Audit Quality Indicators (AQIs). The independence and competence of CPA Chien-Liang Liu and Li-Chun Chang of Deloitte & Touche were deliberated and approved by the audit committee on November 1, 2024 and Feb. 27, 2025.

2.The operation of the Audit Committee with any of the following conditions, the dates of Audit Committee, sessions, contents of motion, the content of objection, reservation or major suggestion provided by Independent Director, resolutions of the Audit Committee and the company's response to the Audit Committee's opinion should be specified :

(1) For matters specified in Article 14-5 of the Securities and Exchange Act.

Date of Audit Committee	Term	Contents of Motion	Content of objection, reservation or major suggestion provided by Independent Director	Resolutions of Audit Committee	The conduct of the Company for the comments from Audit Committee

03/1/2024	The 1 st in 2024	• The consolidated financial statement for the year ended December 31, 2023 of the Company was approved. • The proposal of 2023 Dividend Distribution was approved. • The business report of 2023 was approved. • The Internal Control System Statement for the year ended December 31, 2023 of the Company was approved. • The evaluation report for the independence and suitability of the CPA engaged by the Company were approved. • The investment plan of Adoresys Pte. Ltd. was approved. • The grant list of 2023 Employee Stock was approved. • The amendments to the “Corporate Governance Best Practice Principles”, “Rules Governing Procedures for meetings of Board of Directors”, “Audit Committee Charter” and “Rules of Procedures for Shareholders Meetings” were approved.	None.	They were approved by Audit Committee.	None.
04/16/2024	The 2 nd in 2024	• The establishment of a subsidiary in Vietnam was approved. • The proposed company’s issuance of common shares through private placements was approved.	None.	They were approved by Audit Committee.	None.
05/03/2024	The 3 rd in 2024	• The consolidated financial statements for the period ended March 31, 2024 of the Company was approved. • The capital increase to the Company’s BVI subsidiary was approved. • 2024 Employee Stock Option Plan was approved.	None.	They were approved by Audit Committee.	None.

	05/14/2024	The 1st extraordinary in 2024	The termination of Year 2023 private placements of common shares was approved.			
	08/23/2024	The 4 th in 2024	- The consolidated financial statement for the year ended June 30, 2024 of the Company was approved. - The establishment of “Human Rights Policy” and the amendments to “Rules for Performance Evaluation of Board of Directors” and “Procedures for Ethical Management and Guidelines for Conduct” were approved. - The grant list of 2024 Employee Stock Option was approved.	None.	They were approved by Audit Committee.	None.
	11/01/2024	The 4 th in 2024	- The consolidated financial statement for the period ended September 30, 2023 of the Company was approved. - The evaluation and appointment of Certified Public Accountant were approved. - The 2025 Audit Plan of the Company was approved. - The “Rules Governing Financial and Business Matters Between this Corporation and its Related Parties”, “Risk Management Policy”, “Internal Control System and Internal Audit Procedures - Management of Sustainability Information” and “Ethical Corporate Management Best Practice Principles” were approved. - The amended “Corporate Governance Best Practice Principles” and “Procedures for Ethical Management and	None.	They were approved by Audit Committee.	None.

		Guidelines for Conduct” were approved. • The grant list of 2024 Employee Stock Option was approved.			
02/27/2025	The 1 st in 2025	• The consolidated financial statement for the year ended December 31, 2024 of the Company was approved. • The proposal of 2024 Dividend Distribution was approved. • The business report of 2024 was approved. • The Internal Control System Statement for the year ended December 31, 2024 of the Company was approved. • The change of Certified Public Accountant was approved. • The evaluation report for the independence and suitability of the CPA engaged by the Company were approved. • The “Non-Assurance Services Pre-Approval Policy” was approved.	None.	They were approved by Audit Committee.	None.

(2) Except the former item, other resolutions which were not approved by the Audit Committee but were approved by two thirds or more of all directors : None.

3. If there are Independent Directors’ avoidance of motions in conflict of interest, the Directors’ names, contents of motion, causes for avoidance and voting should be specified : None.

4. Communication between Independent Directors and Internal Auditors and Accounts (including major items, methods, and results that were communicated concerning the company’s financial and business situations) :

The Internal Auditor submits the Internal Audit Report to each Independent Director monthly for review and reports in Board meeting quarterly for the audit operations and the implementation status. If there are any special circumstances, the Internal Auditors will immediately notify the audit committee.

Date	Communication material	Result of Communication
Mar. 1, 2024 Audit Committee	2023 Q4 Audit report	The communication between Independent Director and Internal Auditor is well.
May 3, 2024 Audit Committee	2024 Q1 Audit report	The communication between Independent Director and Internal Auditor is well.
Aug. 23, 2024 Audit Committee	2024 Q2 Audit report	The communication between Independent Director and Internal Auditor is well.
Nov. 1, 2024 Audit Committee	2024 Q3 Audit report	The communication between Independent Director and Internal Auditor is well.
Feb. 27, 2025 Audit Committee	2024 Q4 Audit report	The communication between Independent Director and Internal Auditor is well.

The Company's Certified Public Accountant reported the audit results on 2024 financial statements and other communication matters required by relevant laws and regulations in the meeting of the audit committee on Feb. 27, 2025. The communication between the Audit Committee and the CPAs has been good.

Date	Communication material	Result of Communication
Mar. 1, 2024	1. Reported the audit result for 2023 financial statements and had discussion for the adoption of accounting principal and the influence of the updated regulations. 2. Reported the Internal audit result.	The communication between Independent Directors and CPAs was well.
Feb. 27, 2025	1. Reported the audit result for 2024 financial statements and had discussion for the adoption of accounting principal and the influence of the updated regulations. 2. Reported the Internal audit result.	The communication between Independent Directors and CPAs was well.

Item	Implementation Status		Deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	
4. Has the company establish internal rules prohibiting insiders trading on undisclosed information?	V		4. To protect shareholders' rights and ensure equal treatment, the Company has established the "Procedures for Handling Material Insider Information and Prevention of Insider Trading". This policy prohibits insiders from trading securities based on non-public market information. The Company also provides training for company's insiders regularly. Additionally, the Company's "Corporate Governance Best Practice Principles" set regulations for stock trading restrictions by insiders. Insiders are prohibited from trading the company's stock during the blackout periods, which are 30 days before the annual financial report release and 15 days before the quarterly financial report announcements.
III. Composition and Responsibilities of the Board of Directors 1. Has the Board established a diversification policy, the specific management goals and has it been implemented accordingly?	V		None. 1. The Board consists of seven directors, in which three of them are Independent Directors as adopted in accordance with the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies". The Company has stated the diversification policy for composition of the Board members in Corporate Governance Best Practice Principles and adopted the policy. To achieve the better corporate governance, each Board member has his own specialized field and knowledge of industry. The specific goal for the diversification policy on the Board members of the Company and the achievement in 2024 are stated below. (1) Basic requirements and values: The board members are all Taiwanese, and three of them are also U.S.

Item	Implementation Status		Deviations from the “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies” and Reasons																																																					
	Yes	No																																																						
	Brief Description																																																							
		citizen. There is no female in the board of the Company currently. In order to achieve the goal of diversity, the female board director will be appointed when the re-election of board is taken in 2025 for the gender equality. (2) Professional knowledge and skills: It will be the best practice when the board members have the financial, accounting, management and industry background. The board members of the Company all have the required professional knowledge and skills. The item of diversity in the board members of the Company are shown as follows: The industry experience and professional distribution of the directors are shown as follows: <table><tr><th rowspan="2">Name</th><th colspan="5">Item of Diversity</th></tr><tr><th>Nationality</th><th>Management</th><th>Leadership</th><th>Industry</th><th>Finance</th></tr><tr><td>Kinying Kwan</td><td>U.S.A、R.O.C</td><td>√</td><td>√</td><td>√</td><td></td></tr><tr><td>Herbert Chang</td><td>R.O.C</td><td>√</td><td>√</td><td>√</td><td></td></tr><tr><td>Johnny Shyang-Lin Shen</td><td>U.S.A、R.O.C</td><td>√</td><td>√</td><td>√</td><td></td></tr><tr><td>Daniel Wang</td><td>R.O.C</td><td>√</td><td>√</td><td>√</td><td>√</td></tr><tr><td>Mao-Wei Hung</td><td>R.O.C</td><td>√</td><td>√</td><td></td><td>√</td></tr><tr><td>Brian Chiang</td><td>R.O.C</td><td>√</td><td>√</td><td>√</td><td></td></tr><tr><td>Binfu Chuang</td><td>U.S.A、R.O.C</td><td>√</td><td>√</td><td>√</td><td></td></tr></table>	Name	Item of Diversity					Nationality	Management	Leadership	Industry	Finance	Kinying Kwan	U.S.A、R.O.C	√	√	√		Herbert Chang	R.O.C	√	√	√		Johnny Shyang-Lin Shen	U.S.A、R.O.C	√	√	√		Daniel Wang	R.O.C	√	√	√	√	Mao-Wei Hung	R.O.C	√	√		√	Brian Chiang	R.O.C	√	√	√		Binfu Chuang	U.S.A、R.O.C	√	√	√		
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Item	Implementation Status			Deviations from the “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Brief Description	
2. Other than the Remuneration Committee and the Audit Committee which are required by law, does the Company plan to set up other Board committees?	V		2.The Company has set up Remuneration Committee, Audit Committee and Nomination Committee.	None.
3. Does the company establish methodology for evaluating the performance of its Board Directors, on an annual basis and submit the results of performance assessments to the Board of Directors and use them as reference in determining compensation for individual Directors, their nomination and additional office term.?	V		3.The Board of the Company always conducts the matters in accordance with the “Regulations Governing Procedure for Board of Directors Meetings of Public Companies”. Moreover, the Company has established regulations governing the Board performance evaluation on March 6, 2020. The performance evaluation of Board, the Board members, Remittance Committee and Audit Committee were completed and submitted the result to the Board by the forth quarter of 2024 and is disclosed on the Company’s website. The scores of evaluation results are between 4.6 and 5 which are good.	None.
4. Does the company regularly evaluate the independence of CPAs?	V		4.At least once a year, the Company evaluated the independence, suitability, and appointment of CPAs in accordance with the Audit Quality Indicator(AQI) provided by CPAs . At the same time the Company required CPAs to provide the “Statement of Independence” to evaluate CPAs’ compliance with the Company’s independence standards (please refer to the table below). The most recent evaluation was approved by the Audit Committee on Nov. 1, 2024 and Feb. 27, 2025, which was submitted to the Board and was approved on the same day.	None.

Item	Implementation Status				Deviations from the “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies” and Reasons		
	Yes	No	Brief Description				
			Evaluation Item	Evaluation Result		Compliance with Independence	
				Do the audit team members and/or his/her spouse and dependent relative(s) have any direct or significantly indirect financial interest relationship with the Company?	No	Yes	
				Do the audit team members and/or his/her spouse and dependent relative(s) have any business relationship that affects the CPA’s independence with the Company's directors and managerial officers?	No	Yes	
				During audit periods, do the audit team members and/or his/her spouse and dependent relative(s) serve as the Company’s directors/ managerial officers, or hold position which can have direct and significantly influence on auditing?	No	Yes	
				Do the audit team members have a spouse, lineal blood relative,	No	Yes	

Item	Implementation Status			Deviations from the “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Brief Description			
	Yes	No		
			immediate affinity or collateral relative by blood within the second degree relationship with any of the Company’s directors/managerial officers	
		No	Do the audit team members receive any significant gifts or presents from the Company’s directors, managerial officers, or major shareholders (with a value exceeding the standard of general social etiquette).	Yes
		No	Do the audit team members identify any violations of independence or unresolved conflicts of interest while performing the necessary independence/ conflict of interest procedures	Yes
IV.Does the company an adequate number of corporate governance personnel with appropriate qualifications and appoint a chief corporate governance officer to be in charge of corporate governance affairs (including but not limited to furnish information required for business	V		The Company has set up a part time corporate governance personnel to be in charge of corporate governance affairs.	None.

Item	Implementation Status		Deviations from the “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	
execution by directors and supervisors, assisting directors and supervisors with legal compliance, handle matters relating to board meetings and shareholders meetings according to laws)?			
V. Has the company established a means of communicating with its stakeholders (including but not limited to shareholders, employees, customers and suppliers) or created a Stakeholders Section on its company website? Does the company respond to stakeholders’ questions on corporate responsibilities?	V		None.
VI. Has the company appointed a professional registrar for its Shareholders’ meetings?	V		None.
VII. Information disclosure 1. Has the company set up a website to disclose information regarding its finances, operations, and corporate governance status?	V		None.
2. Does the company use other information disclosure the channels (e.g. maintaining an English-language website, assigning staff to handle information collection and disclosure, appointing spokespersons, webcasting investors conference etc.)?	V		None.
3. Does the Company announce and report annual financial statement within two months after the end of the fiscal year, and announce the first, second and third quarter financial statement as well as the operating status of each month before the prescribed deadline?	V		Though the Company did not announce and report annual financial statement within two months after the end of the fiscal year, the Company announced and

Item	Implementation Status		Deviations from the “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies” and Reasons reported annual financial statement within the prescribed deadline.
	Yes	No	
VIII. Does the company have other information that would help better understand the Company’s implementation of corporate governance? (including but not limited to employee rights and benefits, employees caring, investor relations, supplier relationship, the rights of related parties, continuing education for directors and supervisors, implementation of risk management policies and risk assessment standards, implementation of customer policies, liability insurance purchased by the Company directors and supervisors)?	V		1. The Company has formulated and implemented relevant regulations in accordance with government acts regarding labor, welfare, safety, and health to protect employee rights and benefits and care employees’ life. 2. In accordance with applicable public company rules, the Company discloses the Company’s business operations and financial status for investors and maintains investor relations by properly dealing with inquiries from investors. 3. The Company arranges the training institutions specified by the competent authority to provide further training for Directors every year. 4. The Company annually purchases D&O Insurance for Directors and Independent Directors to reduce risks.
IX. In terms of the corporate governance evaluation results which has been disclosed by the Corporate Governance Center of Taiwan Stock Exchange in the most recent year, describe the improved items and present the actions and amendment for unimproved items.	1. Improved items : - Alchip has implemented the Information Security Management System (ISO 27001) and obtained third-party verification to enhance security safety. - Alchip has implemented intellectual property management plan linked to the operational objectives to strengthen our intellectual property management. - Alchip has formulated the “Rules Governing Financial and Business Matters Between this Corporation and its Related Parties”. - Alchip has uploaded uninterrupted audio and video recordings of the entire shareholders’ meeting to the company’s website. - Alchip has established a Nomination Committee with three members, including two independent directors, with one independent director serving as the chairperson. - Alchip has invested in the social responsibility bonds (bond abbreviation: P21SHC1 code: F17601) by Shinhan Card Co.,Ltd., totaling US\$200,000.		

Item	Implementation Status		Deviations from the “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	
• Since 2024, Alchip has linked its sustainable development strategy with its goals and incentive system for senior managers. • Alchip has established a succession plan for board members and key management personnel. • Alchip has established a performance evaluation method for the board of directors and conducts an external evaluation every three years to enhance board performance. • Alchip has established a human rights policy. • Our company's sustainability report is prepared in accordance with GRI standards and discloses relevant ESG information and it has been approved by the board of directors." 2. Remedy for unimproved items : • Our company's board of directors will be elected in 2025, we ensured that the board of directors includes at least one female director. • Our company's sustainability report is expected to obtain third-party assurance or certification to enhance the reliability of the information.			

2.4.4 Composition, responsibilities and operations of the Remuneration Committee shall be disclosed if the company has a Remuneration Committee in place

The purpose of the Company's compensation committee is to assist the Board of Directors in implementation and evaluation of the Company's overall compensation and benefits policies and remuneration to managerial officers.

A. Information on members of Remuneration Committee

Identity	Criteria	Professional Qualifications and Work Experience	Independence Criteria	Number of Other Taiwanese Public Companies Concurrently Serving as a Member of the Remuneration Committee	Remarks
	Name				
Convener	Mao-Wei Hung	The Committee consists of three independent directors. Please refer to page 10 for their professional qualification and work experience	Please refer to page 10 in this report.	2	(Note 1)
Committee Member	Brian Chiang			0	
Committee Member	Binfu Chuang			0	

Note 1 : The Committee shall faithfully perform the following duties and present its recommendations to the board of directors for discussion.

- (1) Periodically reviewing this Charter and making recommendations for amendments.
- (2) Establishing and periodically reviewing the annual and long-term performance goals for the directors, supervisors, and managerial officers of this Corporation and the policies, systems, standards, and structure for their compensation.
- (3) Periodically assessing the degree to which performance goals for the directors, supervisors, and managerial officers of this Corporation have been achieved, and setting the types and amounts of their individual compensation.

B. Operations of the Remuneration Committee

- (1) The Company's remuneration committee consists of three members.
- (2) The members' term of office for this session : From June 20, 2022 to June 9, 2025. Mr. Mao-Wei Hung, the remuneration committee chair convened the regular meeting twice in Year 2024. The records of attendance of members are shown as follows :

Title	Name	Attendance in Person(B)	By Proxy	Actual Attendance Rate (%) (B/A)(Note)	Remarks
Convener	Mao-Wei Hung	2	0	100%	
Committee Member	Brian Chiang	2	0	100%	
Committee Member	Binfu Chuang	2	0	100%	
Other mentionable items :					
1. The resolutions of Remuneration Committee :					

The date of Remuneration Committee	The Committee	Motions	Resolutions	The conduct of the Company for the comments from Audit Committee
03/01/2024	The 1 st in 2024	• The bonus scheme for the employees and directors for the year of 2023. • The remuneration packages for the senior managers (executives) for the year of 2024. • The monthly remuneration scheme for the Directors for the year of 2024.	They were approved by Remuneration Committee	They were all submitted to Board and approved by Directors of Board
08/23/2024	The 2 nd in 2024	• The subsequently ratification for the amendments of 2024 Employee Stock Option Plan. • The change of the accounting officer of the Company was approved. • The amendments to “Rules for Performance Evaluation of Board of Directors” was approved.	They were approved by Remuneration Committee	They were submitted to Board and approved by Directors of Board

2. If the Board of Directors declines to adopt, or modifies a recommendation of the remuneration committee, the date of board meeting, term, agenda items, results of resolutions of the remuneration committee, and how the company handles opinions of the remuneration committee should be stated clearly (If the remuneration approved by the Board of Directors is better than the recommendation of the remuneration committee, the difference and the reason should be stated clearly.) : No such situation occurred.
3. If resolutions of the remuneration committee are objected by members or become subject to a qualified opinion, which have been recorded or declared in writing, then the date of the meeting, the session, the nature of the motion, all members’ opinions and the response to members’ opinion should be specified : No such situation occurred.

2.4.5 Composition, responsibilities and operations of the Nomination Committee

The Nomination Committee of the Company was established on November 1, 2024. The committee consists of three members, appointed by resolution of the Board of Directors. The members of the committee are Independent Directors Mr. Mao-Wei Hung, Mr. Brian Chiang, and Director Mr. Johnny Shyang-Lin Shen. The convener of the committee, Mr. Mao-Wei Hung, possesses professional qualifications in finance, accounting, business management, and leadership decision-making.

The purpose of the Nomination Committee is to identify, review, and nominate candidates for the Board of Directors and senior management positions. The committee is also responsible for evaluating the performance of the Board, its committees, individual directors, and senior executives, as well as formulating and periodically reviewing training plans for directors and succession plans for directors and senior management.

As of the date of publication of the 2024 annual report, the Nomination Committee has held one meeting. The operational status of the committee is as follows:

Title	Name	Are of Expertise	Attendance in Person(B)	By Proxy	Actual Attendance Rate (%)
Convener	Mao-Wei Hung	Finance, Accounting, Business management, and Leadership decision-making	1	0	100%
Committee	Brian Chiang	Business management, Leadership and Industry experience	1	0	100%
Committee	Johnny Shyang Lin Shen	Business management, Leadership and Industry experience	1	0	100%

Other Disclosable Matters:

Date	Term	Motions	Resolutions of Audit Committee	The conduct of the Company for the comments from Audit Committee
Nov. 1, 2024	The 1 st in 2024	• Selection of the Convener and Chairperson of the Nomination Committee	It was approved by Nomination Committee	It was submitted to Board and approved by Directors of Board

2.4.6 Sustainable Development and Deviations from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons

Systems and measures that the company has adopted with respect to environmental protection, community participation, contributions to society, services to society, social and public interests, consumer rights and interests, human rights, safety and health, and other corporate social responsibilities and activities, and the state of implementation.

Item	Status of Implementation			Deviations from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Brief Description	
I. Does the company establish an exclusively (or concurrently) dedicated unit to be in charge of proposing and enforcing the sustainable development, have top management be authorized to handle it by the Board of Directors, and to report to the Board of Directors on a periodic basis?	V		The company established the Sustainability Development Committee in November 2024. The committee is responsible for promoting sustainable operations, strengthening corporate governance, implementing environmental protection measures, and fulfilling corporate social responsibility. The Board of Directors authorized the CEO to serve as the Chairperson of the committee, with the Head of Corporate Governance acting as the convener. Senior executives from the R&D, Supply Chain Management, Sales, Legal, Finance, and Human Resources departments serve as committee members. Under the committee, five working groups have been established: Sustainable Environment Group、Innovation Management Group、Social well-being and Friendly Workplace Group、Partner Co-Prosperity Group and Corporate Governance Group. These groups work collaboratively to review the implementation of sustainability efforts and set key focuses and objectives based on the company's operations and issues of concern to external stakeholders. The committee reports to the Board of Directors at least once every six months on the execution results of the current year and plans for future initiatives.	None.
II. Does the company, in its corporate management guidelines and business operations, give due consideration to the rights and interests of stakeholders	V		The Sustainability Development Committee conducts analyses based on the materiality principle outlined in the ESG Report. It engages in communication with internal and external	None.

Item	Status of Implementation		Deviations from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	
and, while pursuing sustainable operations and profits, also give due consideration to the environment, society and corporate governance?			stakeholders and reviews domestic and international research reports, literature, and integrates assessment data from various departments and subsidiaries. Through this process, the committee evaluates material ESG (Environmental, Social, and Governance) issues and establishes risk management policies for effectively identifying, measuring, assessing, monitoring, and controlling these risks. It also implements concrete action plans to mitigate the impact of related risks. • Environmental issue: The Company keeps promoting and executing carbon reduction and other waste management policy to achieve the goal of carbon reduction. • Social issue: a. Occupational Safety: regularly participate firefighting drill and disseminate knowledge of occupational safety. - The Company also conducts employee health examination regularly to reduce employee's health risks. b. Product Safety: conduct customer satisfactory survey annually to improve quality of products and service. • Corporate Governance: a. Social economic and Legal compliance: In order to ensure that all personnel of the Company can comply with relevant laws and regulations, the internal norms are set up and the internal control is implemented. b. Strengthen the functions of Directors: (1) Provide training and update regulations and information to Directors. (2) The Company annually purchases D&O Insurance for Directors and Independent Directors to reduce risks.

Item	Status of Implementation			Deviations from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Brief Description	
			c. Stakeholder Communication: Set up a communication window for stakeholders and properly respond and handle their concern issues. In addition, the spokesperson of the Company is responsible for handling investor-related issues.	
III. Environmental issues				
1. Does the company establish a proper environment management system based on the characteristics of its industry?	V		1. Since the Company has no industrial pollution, we continuously focus on environmental protection and energy conservation, and reduce sanitary waste to achieve the goal for energy conservation and carbon reduction.	None.
2. Does the company endeavor to raise energy efficiency and use renewable materials that have a low impact on the environment?	V		2. The Company actively propels various energy-saving and carbon reduction measures such as utilizes energy-saving equipment to enhance the efficiency of energy usage.	None.
3. Does the company evaluate the climate change on its the potential risk and chance for now and future and take action which is related to the issues of climate?	V		3. The Company has assessed the potential risks posed by climate change and has implemented corresponding mitigation measures. For detailed information, please refer to Alchip's 2024 ESG Report.	None.
4. Does the company count the emissions of greenhouse-gas, water consumption and total weight of wastewater in the past two years and set the policies for energy conservation and carbon reduction, greenhouse-gas reduction and water or other waste management?	V		4. Since 2022, the Company has voluntarily conducted inventories and management of greenhouse gas emissions, water consumption, and waste. The greenhouse gas inventory has been carried out in accordance with the ISO 14064-1:2018 standard and has been externally verified for the Company's operations in Taiwan. For detailed information on energy conservation and carbon reduction measures, greenhouse gas reduction performance, historical greenhouse gas emissions, water consumption, total waste generation, and related management policies, please refer to Alchip's 2024 ESG Report.	None.

Item	Status of Implementation		Deviations from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons				
	Yes	No					
IV. Social issues 1. Does the company adopt relevant management policies and processes in compliance with relevant laws and regulations, and the International Bill of Human Rights?	V	1. The company recognizes and voluntarily adheres to internationally recognized human rights standards, including the Universal Declaration of Human Rights, the United Nations Global Compact, and the UN Guiding Principles on Business and Human Rights. In line with these standards, the Company has established the Alchip Human Rights Policy, which upholds the protections set forth in these human rights conventions and has published the policy on the company’s official website. The company is committed to complying with international human rights conventions and fundamental labor rights principles, promoting gender equality, freedom of association, the prohibition of conflict minerals, and care for vulnerable groups. We are dedicated to eliminating all forms of discrimination, child labor, and forced labor, and to creating a safe and comfortable working environment. A summary of the company’s human rights management policies and specific initiatives is as follows: <table><tr><th>Human Rights Management Policy</th><th>Specific Initiatives</th></tr><tr><td>Provide a safe and healthy working environment</td><td>Relevant measures for protecting the work environment and employee personal safety are detailed in the "Labor Relations" section of the ESG Report.</td></tr></table>	Human Rights Management Policy	Specific Initiatives	Provide a safe and healthy working environment	Relevant measures for protecting the work environment and employee personal safety are detailed in the "Labor Relations" section of the ESG Report.	None.
Human Rights Management Policy	Specific Initiatives						
Provide a safe and healthy working environment	Relevant measures for protecting the work environment and employee personal safety are detailed in the "Labor Relations" section of the ESG Report.						

Item	Status of Implementation			Deviations from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons		
	Yes	No	Brief Description			
2. Does the company set and implement a reasonable employee benefit plan (including remuneration, leaves and other benefits) and reflect the corporate business performance or achievements in the employee remuneration? 3. Does the company provide safe and healthful work environments for its employees, organize training on safety, and health for its employees on a regular basis? 4. Does the company establish effective training programs to foster career skills for its employees? 5. Does the company follow relevant laws, regulations, and international guidelines for the customer’s health and safety, customer’s privacy, marketing and labeling of its products and services and also establish relevant policies on consumer rights and interests and procedure for accepting consumer complaints?	V		<table><tr><td>Prohibit forced labor and comply with local labor laws</td><td>Implementation of leave policies to encourage employees to maintain a healthy work-life balance.</td></tr></table> 2. The company has established a compensation system that exceeds legal requirements, including 14 months of fixed salary and performance bonuses linked to business performance. Employees are provided with comprehensive insurance coverage, a well-structured retirement fund system, and a leave policy that goes beyond statutory requirements. In addition, employee bonuses are distributed in accordance with the company’s dividend policy. 3. The company provides employees with a safe and healthy working environment and conducts regular health check-ups and workplace safety education to prevent occupational accidents. In 2024, there were no incidents of fire or occupational injuries. The company will continue to implement occupational safety management measures to prevent such events from occurring. 4. The Company’s HR departments are in charge of career planning and implementation of the relevant training based on each employee’s job attributes and skills. 5. The Company’s Quality System department has established “Procedures for Customer Satisfaction and Complaint” and set a grievance section at the Stakeholders Section on the Company website to protect consumer rights and interests.	Prohibit forced labor and comply with local labor laws	Implementation of leave policies to encourage employees to maintain a healthy work-life balance.	None.
	Prohibit forced labor and comply with local labor laws	Implementation of leave policies to encourage employees to maintain a healthy work-life balance.				
	V			None.		
	V			None.		
	V			None.		
V			None.			

Item	Status of Implementation		Deviations from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	
6. Does the company establish the supplier Management Policy for asking the suppliers to follow the relevant regulations and practice in the issues of environmental protection, occupational safety and health or Labor rights?	V		6. The Company assesses whether there is any record of a supplier's impact on the environmental protection, occupational safety and health or Labor rights and has included such record in the supplier assessment. If the supplier violates the related regulations, the Company will give a warning and ask for improvement within a limited period of time, and those who are in serious circumstances will no longer cooperate.
V. Does the company prepare the Corporate Sustainability Report and disclose non-financial information by referring to the internationally-used governing preparation or guide? Has the report disclosed been assured, verified or certified by a third party.	V		The ESG report is compiled based on the Global Reporting Initiative Standards (GRI Standards) and TWSE's “Rules Governing the Preparation and Filing of Sustainability Reports by TWSE-listed Companies”, as well as takes reference from the Task Force on Climate-Related Financial Disclosures (TCFD) and Sustainability Accounting Standards Board (SASB). The ESG report has been publicly disclosed on the Company's website (https://www.alchip.com/tw/About_Alchip/esg), and has not obtained the confidence or assurance opinion of the third-party verification unit.
VI. If the company promulgates its own corporate social responsibility principles in accordance with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies”, please state clearly the discrepancy in the operation thereof and the principles : The Company has established the “Sustainable Development Best Practice Principles” and followed such principles to handle relevant matters on the Company's sustainable development.			
VII. Other significant information which would help better understand the implementation of Sustainable Development (such as environmental protection, community participation, contribution to society, service to society, social and public interests, consumer rights and interests, human rights, safety and health, other corporate social responsibilities and activities, and the state of implementation. Please refer to the Company's website at https://www.alchip.com/tw/About_Alchip/esg .			

Climate related information

No.	Item	Implementation
1	Describe the board of directors and the management's oversight and governance of climate-related risks and opportunities	The Company values the impact of climate change on operational changes, Currently, the CFO and spokesperson lead the finance and operations departments in reviewing the impact of climate change on Alchip. Through special meetings, climate change issues are compiled, and the emerging opportunities and risks arising from these issues for Alchip are reviewed. In future years, the Company will assess and plan a climate change management organization and will continue to steadily monitor climate change related risks and opportunities while reviewing the company's related actions. In December 2023, Alchip established the GHG Inventory Promotion Committee, with the Chief Sustainability Officer serving as the senior executive and the Administrative Management Department acting as the executive secretary. The committee's inventory team is responsible for advancing company-wide initiatives related to environmental protection, occupational safety and health, energy and water conservation, and GHG management. The team regularly reports progress on implementation to the Sustainable Development Committee, which in turn presents the annual execution results and future work plans to the Board of Directors at least semi-annually.
2	Impact of Identified Climate Risks and Opportunities on Business, Strategy, and Financials (Short-Term, Medium-Term, Long-Term)	In response to climate change issues, Alchip has identified the following climate-related risks and opportunities: • Short-Term: Extreme weather events causing natural disasters may impact company operations; disruptions in energy supply or shortages could increase operational costs. • Medium to Long-Term: In response to climate-related disclosure requirements, the company will need to conduct greenhouse gas inventories and verification, which will increase the cost of information disclosure; the imposition of carbon fees or taxes may lead to higher operational costs; rising costs of green electricity procurement; or the impact on the company's operation resulting from the failure to adapt to the transition toward low-carbon operations. To address these risks, the company has implemented the following measures: establishment of emergency response equipment in the office, insurance coverage for fixed assets, energy-saving and carbon-reduction initiatives, and the development of a greenhouse gas reduction plan and targets, aimed at

		preventing operational disruptions, enhancing green operational efficiency, and reducing potential financial risks.
3	Impact of Extreme Weather Events and Transformation Actions on Financials	Regarding extreme weather events, if a natural disaster occurs on a large scale, it may damage certain office equipment or prevent personnel from attending work, thereby affecting the company's normal operations. To address these risks, the company has implemented the following measures: • Insurance Coverage: The company has taken out fixed asset insurance to mitigate potential losses caused by extreme weather events. This risk transfer approach helps reduce losses and includes multiple operational sites to diversify the risk of operational disruptions. • Video Conferencing Systems: The company has introduced an online video conferencing system to reduce the impact of personnel being unable to attend work due to extreme weather events. • Flood Protection: The office building has been equipped with flood barriers. • Disaster Training and Drills: Regular disaster education and training are conducted, with practical emergency response drills and disaster recovery plans for secondary backup offices to ensure business continuity during disruptions caused by disasters. As a result, the financial impact of extreme weather events and transformation actions, as well as the measures adopted, is minimal.
4	Integration of Climate Risk Identification, Assessment, and Management into the Overall Risk Management System	In 2024, Alchip Technologies approved the "Risk Management Policy" through its Board of Directors, establishing it as the highest guiding principle for risk management. The Company conducts regular annual risk assessments, and both the Board and management team are responsible for the ongoing supervision and review of the risk management policy. Potential risks are identified and evaluated through a risk assessment process, and appropriate response measures are developed for high-risk items. These efforts aim to keep risks within an acceptable range, thereby ensuring stable operations and supporting the Company's goals of sustainable development.
5	Where scenario analysis is applied to assess resilience to climate change risks, the context applied, parameters, assumptions, analysis factors and key financial implications should be explained.	There are currently no related plans.

6	Climate-Related Risk Management Transformation Plans, Indicators, and Targets for Identifying and Managing Physical and Transition Risks	- Alchip has established management indicators for climate-related risks and opportunities, including water resources and greenhouse gas emissions. - The company has set phased reduction targets for water usage and greenhouse gas emissions. Carbon Reduction Target: - Short-term: Based on the carbon emission intensity of 2022, the target is to reduce carbon emission intensity by 1% annually. - Medium-term: Achieve an 8% reduction in carbon emission intensity by 2030. - Long-term: Aim for carbon neutrality by 2050. Water Resource Reduction Target: - Water intensity is to be reduced by 0.25% annually compared to the previous year. Using 2022 as the base year, the Company aims to achieve a 10% reduction in water intensity by 2032.
7	Internal Carbon Pricing as a Planning Tool	There are currently no relevant plans in place regarding internal carbon pricing.
8	Climate-Related Targets, Activities, Greenhouse Gas Emission Scope, Timeline, and Annual Progress	In accordance with regulatory timelines, Alchip conducts greenhouse gas emissions inventory for Scope 1 and Scope 2 and regularly reviews progress towards meeting targets. Currently, the company does not use carbon offsets to achieve its targets. In 2024, Alchip used 10,000 kWh of green electricity and accumulated 10 T-REC certificates.
9	Greenhouse Gas Inventory, Assurance, Reduction Targets, Strategies, and Action Plans	Total GHG Emissions of Alchip in 2024 amounted to 344.8469 tCO₂e (location-based) / 340.1069 tCO₂e (market-based). Scope 1 emissions (direct emissions) totaled 3.8211 tCO₂e, entirely from fugitive sources such as refrigerants and septic tanks, accounting for 1.11% of total emissions. As the company does not have any manufacturing processes, there are no process-related emissions. Scope 2 emissions (energy indirect emissions) were 230.7351 tCO₂e (location-based) / 225.9951 tCO₂e (market-based), primarily from purchased electricity, representing 66.91% (location-based) / 66.45% (market-based) of total emissions. Scope 3 emissions (other indirect emissions) amounted to 60.6282 tCO₂e, Scope 4 emissions (other indirect emissions) amounted to 49.6625 tCO₂, together accounting for 31.98% of the total emissions. Carbon dioxide (CO₂) is the predominant type of greenhouse gas emitted by Alchip.

		The carbon emissions and water usage data for the years 2022 and 2023 have been verified by an external entity. Using the carbon emission intensity of 2022 as the baseline, the company's target is to reduce carbon emission intensity by 1% annually, with the aim of reducing carbon emission intensity by 8% by 2030 and achieving carbon neutrality by 2050. The company will review greenhouse gas emissions and target achievement progress annually. If any targets are not met, a review and adjustments will be made.
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1-1 Recent Two Years' Greenhouse Gas Inventory and Assurance

1-1-1 Greenhouse Gas Inventory Information

The following details the greenhouse gas emissions (in metric tons of CO₂e), intensity (in metric tons of CO₂e per million NTD), and the scope of data coverage for the past two years: Data Coverage: Alchip's Taiwan operations			
Year	2023 (Scope 1 、 2)	2024 (Scope 1 、 2 、 3 、 4)	
Total Greenhouse Gas Emissions (tCO ₂ e,)	249,948	344,8469	
Annual Revenue (NTD million)	30,481.58	51,968.57	
Greenhouse Gas Emissions Intensity	0.0082	0.0045	

1-1-2 Greenhouse Gas Assurance Information

The following provides an explanation of the assurance status for the past two years as of the publication date of the annual report, including the scope of assurance, assurance organization, assurance standards, and assurance opinion.
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2022 Greenhouse Gas Emissions Information

- Assurance Scope: 9F, No. 12 Wenhui St., Neihu Dist., Taipei City; 11F-1 and 3F-3, No. 1, Taiyuan 1 St., Zhubei City, Hsinchu County
- Assurance Organization: Taiwan Testing and Certification Center
- Assurance Standards: Audited in accordance with ISO 14064-3:2019 and in compliance with the requirements of ISO 14064-1:2018.
- Assurance Opinion: Reasonable assurance level:
 - Category 1: 7.2432 tCO₂
 - Category 2: 236.0606 tCO₂

2023 Greenhouse Gas Emissions Information

- Assurance Scope: 9F, No. 12 Wenhui St., Neihu Dist., Taipei City; 11F-1 and 3F-3, No. 1, Taiyuan 1 St., Zhubei City, Hsinchu County
- Assurance Organization: Taiwan Testing and Certification Center
- Assurance Standards: Audited in accordance with ISO 14064-3:2019 and in compliance with the requirements of ISO 14064-1:2018.
- Assurance Opinion: Reasonable assurance level:
 - Category 1: 7.8648 tCO₂
 - Category 2: 242.0832 tCO₂

1-2 Greenhouse Gas Reduction Targets, Strategies, and Specific Action Plans

The following outlines the baseline year and data for greenhouse gas reduction, reduction targets, strategies, specific action plans, and progress in achieving the reduction targets.

Energy-saving and Carbon-reduction Targets

- Short-term: Based on the carbon emission intensity of 2022, the target is to reduce carbon emission intensity by 1% annually.
- Medium-term: Achieve an 8% reduction in carbon emission intensity by 2030.
- Long-term: Aim for carbon neutrality by 2050.

Strategies and Specific Action Plans:

Since the company does not have industrial pollution, our focus will be on promoting daily environmental protection and energy-saving practices to achieve the goals of environmental protection and carbon reduction. The following measures will be implemented:

1. Control air conditioning temperatures between 24°C and 26°C.
2. Promote the habit of turning off lights when not in use.
3. Encourage the digitization of documents and the use of double-sided printing to reduce paper usage and printing volume.
4. Starting in 2024, transition to using electronic invoices to replace traditional paper invoices.
5. Transition to electronic dividend notifications.
6. Encourage the use of reusable tableware to reduce disposable plastic products.
7. Regularly promote and enforce employee waste sorting and recycling.
8. Continuously promote electricity and water conservation measures, reminding employees to save energy.

Progress towards Targets:

Through proactive energy-saving and carbon-reduction initiatives, Alchip has achieved a 74.30% reduction in greenhouse gas emissions intensity in 2024 compared to 2022.

2.4.7 Implementation of Ethical Corporate Management and Discrepancy from the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons : The Company has formulated the “Operational Procedures and Guidelines for Ethical Management” to foster a corporate culture of ethical management and sound development and offer to establish good commercial practices, and follow them to handle relevant matters

Item	Status of Implementation			Discrepancy from the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and the Reasons
	Yes	No	Brief Description	
I. Establishment of ethical corporate management policies and programs 1.Does the company set the ethical management policy which has approved by the Board and clearly specify the ethical management policies, action in the rules and external documents of the Company and the commitment by the Board of Directors and Executives for implementing the policies actively? 2.Does the company establish a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis business activities within the business scope which are at a higher risk of being involved in unethical conduct, and establish prevention programs and also adopt preventive measures which are at least included any matter set forth in Paragraph 2, Article 7 of the “Ethical Corporate Management Best Practice Operational Procedures and Action Guidebook”? 3.Does the company set implementation procedures, guidelines, consequence of violation and complaint	V	V	1.The Company has established the “Procedures for Ethical Management and Guidelines for Conduct” in accordance with the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and disclosed the Company’s ethical corporate management policies in internal rules, annual reports, company website, or other propaganda. The Board of Directors will also provide recommendations based on the report content, review the outcomes of its implementation, and, when necessary, advise the committee to make adjustments. 2.The Company has not set a risk assessment mechanism against unethical conduct, but has stipulated prevention programs in the “Procedures for Ethical Management and Guidelines for Conduct”. 3.The Company has stipulated “prohibition of offering or acceptance of any improper benefits” , “prohibition of facilitating payments” , “prohibition of offering of illegal	None. The Company has not set a risk assessment mechanism against unethical conduct. None.

Item	Status of Implementation		Discrepancy from the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and the Reasons
	Yes	No	
procedures in relevant policies which are duly enforced to prevent unethical conduct?			political donations” , “prohibition of improper charitable donations or sponsorship” in the “Procedures for Ethical Management and Guidelines for” to ensure that our conduct meets the highest legal and ethical standards, the Company periodically organizes training courses to enhance employees’ concepts of ethics and self-discipline, and carry them out. If any personnel of this Corporation seriously violates ethical conduct, the Company shall dismiss the personnel from his or her position or terminate his or her employment in accordance with applicable laws and regulations or the personnel policy and procedures of Corporation.
III. Implementation of ethical management 1. Does the company assess the ethics records of whom it has business relationship with and include business conduct and ethics related clauses in the business contracts?	V		None.
2. Does the company establish a dedicated unit that is under the Board of Directors and responsible for promoting the ethical management, and report its ethical management policy, the prevention programs for misconduct and the status of supervision to the Board of Directors on a regular basis(at least once a year)?	V		None.

Item	Status of Implementation		Discrepancy from the “Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies” and the Reasons
	Yes	No	
unethical conduct or have a certified public accountant to carry out the audit? 5.Does the company periodically organize training internally and externally on the ethical management?	V		(IFRIC) or the former Standing Interpretations Committee (SIC), as recognized by the Financial Supervisory Commission (FSC) and the Company’s actual business situations. The Company’s internal control has established and executed according to the Regulations Governing Establishment of Internal Control Systems by Public Companies. The Internal Auditor formulates annual audit plans and subsequently reports its audit findings and remedial issues to the Board and Management team on a regular basis. In addition, all departments and subsidiaries are also required to conduct Control Self-Assessment annually to review the effectiveness of the internal control system. 5.The Company periodically organizes training and awareness programs on the ethical management for employees. 2024 Training Results: A total of 60 person-hours for the Ethical Management Awareness Training course. None.
III.State of implementation of the company’s whistle - blowing system? 1.Does the company adopt a concrete whistle-blowing system and incentive measures, establish convenient whistle-blowing channels, and appoint appropriate dedicated personnel to handle whistle-blowing system?	V		1. The Company has established the “Procedures for Handling Reports of Illegal, Unethical, or Dishonest Conduct”. Employees or external individuals can report issues through the following methods: "in-person reporting," "telephone reporting," or "mail reporting" to the responsible unit. They can also report directly through the whistleblower mailbox set up on the company's website. The reporting channels are as follows: •Shareholders, investors, and other stakeholders: IR@alchip.com •Directors, customers, suppliers: whistleblower@alchip.com None.

Item	Status of Implementation		Discrepancy from the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and the Reasons
	Yes	No	
2.Does the company adopt standard operating procedures for the investigation of reported misconduct, the follow-up after the investigation and relevant confidentiality mechanism? 3.Does the company adopt measures for protecting whistle-blowers from inappropriate disciplinary actions due to their whistle-blowing?	V V	•Employees: hr@alchip.com 2.The Company has established the “Procedures for Handling Reports of Illegal, Unethical, or Dishonest Conduct” which included a whistle-blowing system to protect personal information and privacy for related parties. 3.The Company adopts the confidentiality mechanism for whistle-blowers and prohibits from disclosure of any information related to whistle-blowers to protect whistle-blowers from inappropriate disciplinary actions due to their whistle-blowing.	None. None.
IV.Enhancing Disclosure of Information 1.Does the company disclose its ethical corporate management best practice principles and the effectiveness of promotion on the company website and the Market Observation Post System?	V		The Company has set up a website (http://www.alchip.com) and continued to disclose the information. None.
V. If the company has established its own ethical corporate management policies in accordance with the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” , please state clearly the discrepancy in the operation thereof and the principles : Details are shown as above.			
VI.Other significant information which would help better understand the implementation of ethical corporate management (such as the companies’ resolve and policies to advocate the ethical corporate management to business transaction suppliers, invitation to them to participate the training, review and improvement for adoption of the company’s own ethical corporate management best practice principles) : The Company always keeps a close eye on the development of relevant local and international regulations concerning ethical corporate management in order to ensure the Company’s “Procedures for Ethical Management and Guidelines for Conduct” is being kept progressed and up-to-date, aiming to enhance and achieve the Company’s better implement of ethical management.			

2.4.8 Other significant information that will provide a better understanding of the company's implementation of corporate governance, if any, such information may also be disclosed

None.

2.4.9 The section on the implementation of the company's internal control systems shall disclose as below

A. A Statement on Internal Control : Details are shown on pages 66 and 67.

B. Where a CPA has been engaged to carry out a special audit of the internal control systems, disclose the CPA audit report : None.

2.4.10 Major resolutions of Board Meetings and Shareholders' Meeting during the most recent year and the current year up to the date of publication of the annual report

A. Board Meeting :

Date	Term	Major Resolutions
03/01/2024	The 1 st in 2024	1. The consolidated financial statement for the year ended December 31, 2023 of the Company was approved. 2. The proposal of 2023 Dividend Distribution was approved. 3. The bonus scheme for the employees and Directors for the year of 2023 was approved. 4. The business report of 2023 was approved. 5. The Internal Control System Statement for the year ended December 31, 2023 of the Company was approved. 6. The remuneration packages for the senior managers (executives) for the year of 2024 were approved. 7. The monthly remuneration scheme for the Directors for the year of 2024 attached was approved. 8. The evaluation report for the independence and suitability of the CPA engaged by the Company were approved. 9. The investment plan of Adoresys Pte. Ltd. was approved. 10. The grant list of 2023 Employee Stock was approved. 11. The amendments to the "Corporate Governance Best Practice Principles", "Rules Governing Procedures for meetings of Board of Directors", "Audit Committee Charter" and "Rules of Procedures for Shareholders Meetings" were approved. 12. The prohibition on Directors to be released from the participation in competitive business was approved. 13. The date and meeting agenda of 2024 Annual General Meeting of the Company were approved. 14. The period and place for shareholders who holding 1% or more of the total number of outstanding shares of the company to submit proposals to be discussed at the Annual General Meeting of the Company were approved.
04/16/2024	The 2 nd in 2024	1. The establishment of a subsidiary in Vietnam was approved. 2. The proposed private placements of common shares and be submitted to the annual general meeting on May 30, 2024 were approval. 3. The prohibition on Directors to be released from the participation in competitive business was approved. 4. The date and meeting agenda of 2024 Annual General Meeting of the Company were approved.

05/03/2024	The 3 rd in 2024	1. The consolidated financial statement for the year ended March 31, 2024 of the Company was approved. 2. The OBU account opening in Cathay United Bank and Citi Bank was approved. 3. The capital increase to the Company's BVI subsidiary was approved. 4. 2024 Employee Stock Option Plan was approved.
05/14/2024	The 1 st extraordinary in 2024	1. The price, shares and investor list for private placements of common shares were approved. 2. The termination of Year 2023 private placements of common shares was approved.
08/23/2024	The 4 th in 2024	1. The consolidated financial statement for the year ended June 30, 2024 of the Company was approved. 2. The record date of distribution of cash dividend was approved. 3. The change of the accounting officer of the Company was approved. 4. 2023 ESG Report was approved. 5. The establishment of "Human Rights Policy" and the amendments to "Rules for Performance Evaluation of Board of Directors" and "Procedures for Ethical Management and Guidelines for Conduct" were approved. 6. The subsequently ratification for the amendments of 2024 Employee Stock Option Plan was approved. 7. The grant list of 2024 Employee Stock Option was approved.
11/01/2024	The 5 th in 2024	1. The consolidated financial statement for the year ended September 30, 2024 of the Company was approved. 2. The evaluation and appointment of Certified Public Accountant were approved. 3. The 2025 Audit Plan of the Company was approved. 4. The "Nomination Committee Charter" and the setting of Nomination Committee were approved. 5. The appointment of Nomination Committee was approved. 6. The "Sustainable Development Committee Charter" and the setting of Sustainable Development Committee were approved. 7. The "Rules Governing Financial and Business Matters Between this Corporation and its Related Parties", "Risk Management Policy", "Internal Control System and Internal Audit Procedures - Management of Sustainability Information" and "Ethical Corporate Management Best Practice Principles" were approved. 8. The amended "Corporate Governance Best Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct" were approved. 9. The grant list of 2024 Employee Stock Option was approved. 10. The price, shares and investor list for private placements of common shares were approved.
02/27/2025	The 1 st in 2025	1. The consolidated financial statement for the year ended December 31, 2024 of the Company was approved. 2. The proposal of 2024 Dividend Distribution was approved. 3. The bonus scheme for the employees and Directors for the year of 2024 was approved. 4. The business report of 2024 was approved. 5. The Internal Control System Statement for the year ended December 31, 2024 of the Company was approved.

		6. The remuneration packages for the senior managers (executives) for the year of 2025 were approved. 7. The monthly remuneration scheme for the Directors for the year of 2025 attached was approved. 8. The change of Certified Public Accountant was approved. 9. The evaluation report for the independence and suitability of the CPA engaged by the Company were approved. 10. The “Non-Assurance Services Pre-Approval Policy” was approved. 11. The amendment to the “Memorandum and Articles of Association of the Company” was approved. 12. The amendments to the “Corporate Governance Best Practice Principles” and “Audit Committee Charter” were approved. 13. The election of seven newly Directors (including four Independent Directors) at the upcoming Annual General Meeting scheduled on May 29, 2025 was approved. 14. The prohibition on newly Directors elected at the Annual General Meeting to be released from the participation in competitive business was approved. 15. The date and meeting agenda of 2025 Annual General Meeting of the Company were approved. 16. The period and place for shareholders who holding 1% or more of the total number of outstanding shares of the company to submit proposals to be discussed at the Annual General Meeting of the Company and submit the nomination of Director candidates were approved.
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B. Shareholders’ Meeting :

Date	Major Resolutions	Implementation
05/30/2024	1. 2023 Business Report and the Consolidated Financial Statements for the year ended December 31, 2023 of the Company. 2. 2023 Dividend Distribution Proposal. 3. Amendments to the Rules of Procedures for Shareholders Meetings. 4. Release the Prohibition on Directors from Participation in Competitive Business. 5. The Company’s issuance of Common Shares through Private Placement	1.Approved and adopted. 2.Approved. (1)The Company distributed 2023 dividend, US\$56,300,842 to shareholders of the Company. (2)The Record date was set on September 20, 2024 and the dividend distribution was completed on October 16, 2024. 3.Approved and adopted. 4.Approved and adopted. 5.Approved and adopted.

2.4.11 Major issues of record or written statements made by any Director or Independent Directors dissenting to important resolutions passed by the Board of Directors during the most recent year and the current year up to the date of publication of the annual report

None.

2.5 Information Regarding the Company's Independent Auditors

2.5.1 Audit Fees

Unit: NT\$ thousand

Accounting Firm	Name of CPA	Audit Period	Audit Fee	Non-audit Fee (Note)	Total	Remarks
Deloitte & Touche	Yi-Wen Wang	2024	7,065	630	7,695	-
	Li-Chun Chang					

Note : The fees were mainly related to the audit of annual income tax returns.

2.5.2 The company changes its accounting firm and the audit fees paid to new accounting firm was less than the payment of previous year : N/A.

2.5.3 Audit fees paid for the current year was less than 10 % of the previous year : N/A.

2.6 Information about CPA Replacement

2.6.1 Information on Predecessor CPA

Date of Change	Approved by the Board of Directors on Feb. 27, 2025		
Reasons and Explanation of Changes	In accordance with relevant laws and CPA firm's internal adjustments, the engagement partner Yi-Wen Wang will be replaced by Chien-Liang Liu starting from 2025. The co-signing partner will remain to be Li-Chun Chang.		
State Whether the Appointment is Terminated or Rejected by the Consignor or CPAs	Client		CPA
	Status		Consignor
	Appointment terminated automatically	Not applicable	Not applicable
	Appointment rejected (discontinued)	Not applicable	Not applicable
The Opinions Other than Unmodified Opinion Issued in the Last Two Years and the Reasons for the Said Opinions	None		
Is There Any Disagreement in Opinion with the Issuer	Yes		Accounting principle or practice
			Disclosure of financial statements
			Auditing scope or procedures
			Others
	No	✓	
	Explanation		
Supplementary Disclosure (Disclosures Specified in Article 10.6.1.4~7 of the Standards)	None		

2.6.2 Information on Successor CPA

Accounting Firm	Deloitte & Touche
CPA	Chien-Liang Liu and Li-Chun Chang

Date of Engagement	Approved by the Board of Directors on Feb. 27, 2025
Prior to the Formal Engagement, Any Inquiry or Consultation on the Accounting Treatment or Accounting Principles for Specific Transactions, and the Type of Audit Opinion that Might be Rendered on the Financial Report	None
Written Opinions from the Successor CPAs that are Different from the Former CPA's Opinions	None

2.7 The Company's Chairman, Chief Executive Officer, Chief Financial Officer, and Managers in Charge of its Finance and Accounting Matters Has Held a Position at the Accounting Firm or its Affiliates in 2024

None.

2.8 Any Transfer, Pledge, or Other Change of Hands Involving the Equity Interests of a Director, Managerial Officer, or Shareholders Holding More Than 10% of the Shares of the Company during the Most Recent Year and the Current Year Up to the Date of the Publication of the Annual Report

2.8.1 Change in equity interests by Directors, managerial officers, or major shareholders

Unit: Shares

Title	Name	2024		As of Mar. 31, 2025	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Chairman	Kinying Kwan	(5,000)	0	(8,000)	0
Director	Herbert Chang	0	0	0	0
Director/ CEO	Johnny Shyang-Lin Shen	200,000	0	0	0
Director/ CFO	Daniel Wang	200,000 (200,000)	0	0	0
Independent Director	Mao Wei Hung	0	0	0	0
Independent Director	Brian Chiang	0	0	0	0
Independent Director	Binfu Chuang	0	0	0	0
Vice President	Andy Lin	169,000	0	0	0
Vice President	Hiroyuki Furuzono	0	0	0	0
Sr. Vice President	Dave Hwang	150,000	220,000 (100,000)	0	0
Sr. Vice President	Leo Cheng	269,187 (97,000)	0	(2,000)	0
Vice President	Robert Chang	112,500	0	0	0
Vice President	Peter Teng	66,041	30,000	0	0

Financial Controller	Yuki Kin (Note 1)	0	0	0	0
Financial Controller	Nancy Chan (Note 2)	0	0	0	0

Note 1: Ms. Yuki Jin stepped down as executive of the Company on September 1, 2024.

Note 2: Ms. Nancy Chan became an executive of the Company on September 1, 2024.

2.8.2 Information where the counterparty in any transfer of equity interests is a related party

Name	Reason for Shareholding transfer	Transaction Date	Counterparty	The relationship between the counterparty and the company's directors, supervisors, managers, and shareholders holding more than 10% of the shares	Shares	Price
Daniel Wang	Gift	2024/10/21	Susan Zhang	Spouses	115,000	1,925
Daniel Wang	Gift	2024/12/31	Susan Zhang	Spouses	85,000	2,560

2.8.3 Information where the counterparty in any pledge of equity interests is a related party

None.

2.9 Relationship among the Top Ten Shareholders

Unit: shares

Name	Shareholding		Spouse's/ minor's Shareholding		Shareholding by Nominee Arrangement		Relationship between any of the Company's Top Ten Share holders		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relation	
Government of Singapore -GOS-EFMC	2,564,790	3.17%	0	0	0	0	-	-	
Standard Chartered Bank (Hong Kong) Limited-- Equity Trading	1,929,000	2.39%	0	0	0	0	-	-	
Shen, Johnny Shyang-Lin	1,721,652	2.13%	0	0	0	0	-	-	
Cathay Life Insurance Co., Ltd	1,606,000	1.99%	0	0	0	0	-	-	
Norges Bank-fund mgr Blackrock Investment Management (Taiwan) Limited	1,509,345	1.87%	0	0	0	0	-	-	
UBS Europe SE	1,282,204	1.59%	0	0	0	0	-	-	
Vanguard Total International Stock Index Fund	1,091,520	1.35%	0	0	0	0	-	-	

National Financial Services LLC	1,078,908	1.33%	0	0	0	0	-	-	
KUWAIT INVESTMENT AUTHORITY	1,076,068	1.33%	0	0	0	0	-	-	
New Labor Pension Fund	1,044,000	1.29%	0	0	0	0	-	-	

2.10 Long-Term Investment Ownership

December 31, 2024; Unit: shares

Company Name	Investment by the Company		Investments Directly or Indirectly Controlled by Directors and Managers of the Company		Total Investment	
	Shares	%	Shares	%	Shares	%
Alchip Hong Kong	14,165,970,100	100	-	-	14,165,970,100	100
Alchip US	391,000,000	100	-	-	391,000,000	100
Alchip Japan	1,000	100	-	-	1,000	100
Alchip Taiwan	10,000	100	-	-	10,000	100
Alchip BVI	50,000	100	-	-	50,000	100
Alchip Shanghai	(Note1)	100	-	-	(Note1)	100
Alchip Wuxi	(Note1)	100	-	-	(Note1)	100
Alchip Hefei	(Note1)	100	-	-	(Note1)	100
Alchip Jinan	(Note1)	100	-	-	(Note1)	100
Alchip Guangzhou	(Note1)	100	-	-	(Note1)	100
Alchip Chongqing	(Note1)	100	-	-	(Note1)	100
Chiptopia Shanghai	(Note1)	65	-	-	(Note1)	65
Alchip Malaysia	4,681,010	100	-	-	4,681,010	100
Alchip Vietnam	(Note1)	100	-	-	(Note1)	100

Note1 : No shares issued.

Alchip Technologies, Limited
Statement on Internal Control System

Date: Feb.27, 2025

Based on the results of self assessment of the internal control system conducted by the Company for the fiscal year 2024, we hereby declare as follows:

- I. The company acknowledges and understands that the establishment, enforcement and preservation of the internal control system are the responsibility of the Board, and that the company has already established such a system. The purpose is to provide reasonable assurance to the effectiveness and efficiency of business operations (including profitability, performance and security of assets), reliability, timeliness, transparency, and regulatory compliance of reporting, and compliance with applicable laws, regulations, and bylaws.
- II. There are inherent limitations to even the most well designed internal control system. As such, an effective internal control system can only reasonably ensure the achievement of the aforementioned goals. Moreover, the operating environment and situation may change, impacting the effectiveness of the internal control system. The internal control system of the Company features a self-monitoring mechanism. Once identified, any deficiency will be rectified immediately.
- III. The Company determines the effectiveness of the internal control system in design and enforcement in accordance with the “Regulations Governing Establishment of Internal Control Systems by Public Companies” (hereinafter referred to as “the Regulations”). The Regulations are instituted for judging the effectiveness of the design and enforcement of the internal control system. There are five components of effective internal control as specified in the Regulations with which the procedure for effective internal control is measured, namely: (1) Control environment, (2) Risk assessment, (3) Control activities, (4) Information and Communications, and (5) Monitoring activities. Each of the elements in turn contains certain audit items. Refer to the Regulations for details.
- IV. The Company has adopted the aforementioned internal control system for an internal audit on the effectiveness of the design and enforcement of the internal control system.
- V. Based on the aforementioned audit findings, the Company holds that it has reasonably preserved the achievement of the aforementioned with the internal control system as of December 31, 2024 (including the monitoring over the subsidiaries), including the effectiveness and efficiency in operation, reliability, timeliness, transparency, and regulatory compliance of reporting, and compliance with relevant regulatory requirements, and that the design and enforcement of internal control are effective.
- VI. This statement of declaration shall form an integral part of the annual report and prospectus of the company and will be publicly announced. If any fraudulent information, concealment or unlawful practices are discovered in the content of the aforementioned information, the Company shall be held liable under Article 20, Article 32, Article 171 and Article 174 of the Securities and Exchange Act.
- VII. This statement was approved by the Board on Feb. 27, 2025 in the presence of seven (7) directors, who concurred unanimously.

Alchip Technologies, Limited



Kinying Kwan
Chairman



Johnny Shyang-Lin Shen
CEO

III. Capital Overview

3.1 Capital and Shares

3.1.1 Capitalization

A. Issued shares

Unit:share/NT\$

Month/ Year	Par Value (NT\$)	Authorized Capital		Paid-in capital		Remark		
		Shares	Amount	Shares	Amount (NT\$ thousand)	Sources of Capital	Capital Increased by Assets Other than Cash	Other
2010.07	10	100,000,000	1,000,000,000	52,420,842	523,364,710	Capital surplus transferred to capital	None	-
2010.07	10	100,000,000	1,000,000,000	53,871,342	538,713,420	New shares issued upon the exercise of share options	None	-
2013.11	10	100,000,000	1,000,000,000	53,947,342	539,473,420	New Shares issued upon the exercise of share options	None	-
2014.10	10	100,000,000	1,000,000,000	61,628,342	616,283,420	New shares issued through capital increase by cash	None	-
2014.01- 12	10	100,000,000	1,000,000,000	63,481,815	634,818,150	New Shares issued upon the exercise of share options	None	-
2015.01- 03	10	100,000,000	1,000,000,000	63,766,815	637,668,150	New Shares issued upon the exercise of share options	None	-
2015.08	10	100,000,000	1,000,000,000	61,567,815	615,678,150	Cancellation of Treasury Stocks	None	-
2016.11	10	100,000,000	1,000,000,000	60,702,815	607,028,150	Cancellation of Treasury Stocks	None	-
2017.07- 12	10	100,000,000	1,000,000,000	61,001,038	610,010,380	New Shares issued upon the exercise of share options	None	-
2018.01- 11	10	100,000,000	1,000,000,000	61,698,098	616,980,980	New Shares issued upon the exercise of share options	None	-
2018.12	10	100,000,000	1,000,000,000	59,773,098	597,730,980	Cancellation of Treasury Stocks	None	-
2019.01- 12	10	100,000,000	1,000,000,000	60,612,932	606,129,320	New Shares issued upon the exercise of share options	None	-
2020.01- 12	10	100,000,000	1,000,000,000	62,028,463	620,284,630	New Shares issued upon the exercise of share options	None	-
2021.01	10	100,000,000	1,000,000,000	69,628,463	696,284,630	New shares issued through capital increase by cash	None	-
2021.10	10	100,000,000	1,000,000,000	69,206,463	692,064,630	Cancellation of Treasury Stocks	None	-
2021.01- 12	10	100,000,000	1,000,000,000	70,687,604	706,876,040	New Shares issued upon the exercise of share options	None	-

2022.01-12	10	100,000,000	1,000,000,000	71,928,014	719,280,140	New Shares issued upon the exercise of share options	None	-
2023.07	10	100,000,000	1,000,000,000	73,308,014	733,080,140	New shares issued through capital increase by private placement	None	-
2023.01-12	10	100,000,000	1,000,000,000	74,318,728	743,187,280	New Shares issued upon the exercise of share options	None	-
2024.01	10	100,000,000	1,000,000,000	78,018,728	780,187,280	New shares issued through capital increase by cash	None	-
2024.05	10	100,000,000	1,000,000,000	78,243,265	782,432,650	New shares issued through capital increase by private placement	None	-
2024.11	10	100,000,000	1,000,000,000	78,843,265	782,432,650	New shares issued through capital increase by private placement	None	-
2024.01-12	10	100,000,000	1,000,000,000	80,648,548	806,485,480	New Shares issued upon the exercise of share options	None	-
2025.01-03	10	100,000,000	1,000,000,000	80,855,695	808,556,950	New Shares issued upon the exercise of share options	None	-

B. Capital and Shares

March 31, 2025; Unit: Share

Type of Stock	Authorized Capital			Remark
	Outstanding Shares	Un-issued Shares	Total Shares	
Common Stock	80,855,695	19,144,305	100,000,000	-

Offering and issuance of securities subject to aggregate reporting: None.

3.1.2 List of major shareholders: List all shareholders with a stake of 5 percent or rank in the top 10 in shareholding percentage, and specify the number of shares and stake held by each shareholder on the list

March 31, 2025; Unit: shares/%

Shareholder's Name	Shareholding	
	Shares	Percentage
Government of Singapore -GOS-EFMC	2,564,790	3.17%
Standard Chartered Bank (Hong Kong) Limited--Equity Trading	1,929,000	2.39%
Shen, Johnny Shyang-Lin	1,721,652	2.13%
Cathay Life Insurance Co., Ltd	1,606,000	1.99%
Norges Bank-fund mgr Blackrock Investment Management (Taiwan) Limited	1,509,345	1.87%
UBS Europe SE	1,282,204	1.59%
Vanguard Total International Stock Index Fund	1,091,520	1.35%
National Financial Services LLC	1,078,908	1.33%
KUWAIT INVESTMENT AUTHORITY	1,076,068	1.33%
New Labor Pension Fund	1,044,000	1.29%

3.1.3 Company's Dividend Policy and Status

A. The Company's Dividend Policy:

- (1) The Company shall set aside no less than 1% of its annual profits (the annual profits specified in this Article refers to the annual income before tax and before bonuses are set aside for employees and Directors) as bonus to employees of the Company and set aside no more than 2% of its annual profits as bonus to Directors, provided however that the Company shall first offset its losses in previous years that have not been previously offset. The distribution of bonus to employees may be made by way of cash or Shares, which may be distributed under an incentive programme approved pursuant to Article 11.1 above. The employees under Article 34.1 may include certain employees of the Subsidiaries who meet the conditions prescribed by the Company. The distribution of bonus to employees and to Directors shall be approved by a majority of the Directors present at a meeting attended by two-thirds or more of the total number of the Directors and shall be reported to the Members at the general meeting. A Director who also serves as an executive officer of the Company and/or its Subsidiaries may receive a bonus in his capacity as a Director and a bonus in his capacity as an employee.
- (2) As the Company is in the growing stage, the dividend distribution may take the form of a cash dividend and/or stock dividends and shall take into consideration the Company's capital expenditures, future expansion plans, and financial structure and funds requirement for sustainable development needs etc. The Company may distribute profits in accordance with a proposal for distribution of profits prepared by the Directors and approved by the Members by an Ordinary Resolution at any general meeting. The Directors shall prepare such proposal as follows: the proposal shall begin with the Company's Annual Net Income after tax and offset its losses in previous years that have not been previously offset, and set aside a special capital reserve, if one is required, in accordance with the Applicable Public Company Rules or as requested by the authorities in charge. Except otherwise stipulated by the applicable laws and the Applicable Public Company Rules, the Company may take into consideration the circumstances and development stage of the Company, in response to any future funding requirement and long term financial planning, while satisfying the shareholders expectation in respect of cashflow, propose profit distribution plan in connection with the retained earnings for approval at the meetings of the shareholders; the distribution of retained earnings may proceed by way of cash dividend or by applying such sum in paying up in full unissued Shares for allotment and distribution credited as fully paid-up pro rate to the Members, and the total amount of Dividends shall not be lower than 10% of the profit of the then current year after deducting the aforementioned amounts, and provided the total amount of cash dividend to be distributed shall be no lower than 10% of the aggregate dividend distributed to shareholders and no more than 100% of the aggregate dividend distributed to shareholders.
- (3) Subject to the Statute, the Articles and the Applicable Public Company Rules, the Directors may declare Dividends and distributions on Shares in issue and authorise payment of the Dividends or distributions out of the funds of the Company lawfully available therefor. No Dividend or distribution shall be paid except out of the realised or unrealised profits of the Company, or out of the share premium account or as otherwise permitted by the Statute.
- (4) Except as otherwise provided by the rights attached to Shares, all Dividends shall be declared and paid in proportion to the number of Shares that a Member holds. If any Share is issued on terms providing that it shall rank for Dividend as from a particular date that Share shall rank for Dividend accordingly.
- (5) The Directors may deduct from any Dividend or distribution payable to any Member all sums of money (if any) then payable by him to the Company on any account.

- (6) The Directors may, after obtaining an Ordinary Resolution, declare that any distribution other than a Dividend be paid wholly or partly by the distribution of specific assets and in particular of shares, debentures, or securities of any other company or in any one or more of such ways and where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any Members upon the basis of the value so fixed in order to adjust the rights of all Members and may vest any such specific assets in trustees as may seem expedient to the Directors.
- (7) Any Dividend, distribution, interest or other monies payable in cash in respect of Shares may be paid by wire transfer to the holder or by cheque or warrant sent through the post directed to the registered address of the holder. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
- (8) No Dividend or distribution shall bear interest against the Company.
- (9) Any Dividend which cannot be paid to a Member and/or which remains unclaimed after six months from the date of declaration of such Dividend may, in the discretion of the Directors, be paid into a separate account in the Company's name, provided that the Company shall not be constituted as a trustee in respect of that account and the Dividend shall remain as a debt due to the Member. Any Dividend which remains unclaimed after a period of six years from the date of declaration of such Dividend shall be forfeited and shall revert to the Company.

B. Proposed Distribution of dividend at this year's Shareholders' Meeting

The Company proposed that US\$98,569,525 (US\$1.22137 per share) shall be appropriated from 2024 distributable surplus earnings for shareholders' dividend, and all dividends are paid in cash.

3.1.4 Effect of stock dividend distribution to the Company's operating performance and EPS

Not applicable.

3.1.5 Directors' Remuneration and Employees' Compensation

A. The percentages or ranges with respect to Directors' Remuneration and Employees' Compensation as set forth in the company's Articles of Incorporation:

The Company will allocate no less than 1% as employees' compensation and no more than 2% as directors' remuneration of its profit before tax prior to the deduction of compensation to employees and Directors for the year, respectively.

B. The basis for estimating the amount of Directors' Remuneration and Employees' Compensation, the basis for calculating the number of shares to be distributed as stock bonuses, and the accounting treatment of discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period:

The Company accrued employees' compensation and directors' remuneration are US\$10,000,000 and US\$1,500,000, estimated by 3.93% and 0.59% of profit before tax prior to the deduction of compensation to employees and Directors' Remuneration for the year, respectively. If there is discrepancy between the actual distribution and the estimated amount, the Company will recognize the difference as changes in accounting estimates of the distributing year.

C. Information on the distribution of compensation approved by the Board of Directors:

- (1) Distribution in cash or shares of compensation to employees and Directors. If there are any discrepancies between such an amount and the estimated figure for the year these expenses are recognized, the discrepancy, reasons therefor, and how it is treated shall be disclosed: None.

(2) The amount of distribution in shares of compensation to employees, and as a percentage of the sum of the current after-tax net income on individual or separate financial statements and total compensation to employees: None.

D. The actual distribution of Directors' Remuneration and Employees' Compensation for the previous year (including the share number, dollar amount, and stock price, of the shares distributed), and, if there is any discrepancy between the actual distribution and the recognized compensation to employees and directors, additionally the discrepancy, reasons therefor, and how it is treated: There is no discrepancy between the actual distribution and recognized compensation to employees and directors.

3.1.6 List of Share Buyback as of March 31, 2025

Batch Order	1 st Batch	2 nd Batch	3 rd Batch	4 th Batch	5 th Batch	6 th Batch
Purpose of the Buyback	Maintain the company's credibility and shareholders' equity	Maintain the company's credibility and shareholders' equity	Maintain the company's credibility and shareholders' equity	Maintain the company's credibility and shareholders' equity	Maintain the company's credibility and shareholders' equity	Maintain the company's credibility and shareholders' equity
Actual Buyback period	2015/03/06~2015/05/05	2015/05/15~2015/06/12	2016/8/26~2016/9/26	2017/3/13~2017/5/9	2018/9/12~2018/10/30	2021/5/12~2021/7/6
Price range for Buybacks	NT\$50.05 to NT\$123.82	NT\$35.91 to NT\$87.58	NT\$19.01~ NT\$41.21	NT\$28.88 ~NT\$57.54	NT\$64.26 ~NT\$167.94	NT\$280 ~NT\$720
Number of shares bought back	1,015 thousand shares of common stock	1,184 thousand shares of common stock	865 thousand shares of common stock	0 shares of common stock	1,925 thousand shares of common stock	422 thousand shares of common stock
Total Value of Shares bought back	NT\$60,917,192	NT\$52,462,561	NT\$21,692,815	NT\$0	NT\$157,947,222	NT\$206,571,586
The ratio of number of shares buyback to number of expected shares buyback	50.75%	59.20%	86.50%	0%	96.25%	42.2%
Number of shares that have already been canceled and transferred	1,015 thousand shares of common stock	1,184 thousand shares of common stock	865 thousand shares of common stock	0 share of common stock	1,925 thousand shares of common stock	422 thousand shares of common stock
Accumulated number of shares held by the Company	0 share of common stock	0 share of common stock	0 share of common stock	0 share of common stock	0 share of common stock	0 share of common stock
Ratio of the accumulated number of shares held by the Company to the total number of ordinary shares issued	0%	0%	0%	0%	0%	0%

3.1.7 Information on the Company's issuance of bonds

None.

3.1.8 Information on issuance of preferred shares

None.

3.1.9 Information on issuance of global depositary receipts

Item	Issue Date	January 20, 2021	January 19, 2024	
Issuance and listing	Luxembourg Exchange			
Total amount	US\$195,548,000		US\$412,661,000	
Unit offering price	US\$25.73		US\$111.53	
Number of GDR to be issued:	7,600,000 units		3,700,000 units	
Sources of the securities underlying the GDR	Issuance of new common shares by cash			
Number of shares represented by each GDR	Each GDR represents 1 common share			
Rights and obligations of GDR holders	The new common shares have the same rights and obligations as the Company's common shares.			
Trustee	None			
Depository bank	Citibank, N.A.			
Custodian bank	Citibank Taiwan Limited			
Outstanding balance	116,629 units			
Treatment of expenses incurred at issuance and thereafter	Borne by the issuing company			
Important conventions about depository and escrow agreement	Please refer to the depository and custodian contract.			
Market price per unit (US\$)	Current year to March 31, 2025	Highest	141	
		Lowest	57.50	
		Average	89.63	

3.1.10 Employee Stock Options

A. Issuance of Employee Stock Options

March 31, 2025

Types of Employee Stock Options	Employee Stock Options in 2015		Employee Stock Options in 2016	
Approval date	March 30, 2015		April 26, 2016	
Total units (Note 1)	2,000		2,000	
Issue date	April 24, 2015	March 4, 2016	November 11, 2016	March 10, 2017
Shares issued	864,000	1,136,000	1,200,000	800,000
Issuable shares	0		0	
Shares of stock options to be issued as a percentage of outstanding shares	1.09%	1.40%	1.48%	0.99%
Period	The stock options shall be valid for 10 years from the Grant date and shall expire after such period		The stock options shall be valid for 10 years from the Grant date and shall expire after such period	
Method of performance	Issuance of new shares		Issuance of new shares	
Period and percentage in which subscription is restricted (%)	After two full years, 50% of stock options can be exercised, with 1/48 of the total shares vesting every month		After two full years, 50% of stock options can be exercised, with 1/48 of the total shares vesting every month	
Exercised shares	809,000	940,494	942,000	603,750
Amount of the shares exercised	44,656,800	34,139,932	22,984,800	24,150,000
Unexercised shares	0	8,000	33,000	18,000
Price per share of the unexercised shares	55.20	36.30	24.40	40.00
Percentage of unexercised shares to total issued shares	0.00%	0.01%	0.04%	0.02%
Number of invalid shares (Note 2)	55,000	187,506	225,000	178,250
Impact on possible dilution of shareholdings	Financial Statements will be presented in accordance with the International Accounting Standards. However, after two full years upon expiration of the employee stock options granted by the Company, 50% of the granted stock options can be exercised, with 1/48 of the total shares vesting every month. The influence on shareholders' interests will be gradually diluted.			

Note 1 : One unit is 1,000 shares.

Note 2 : The number of invalid shares were from employees' resignation and expired employee stock options.

Types of Employee Stock Options	Employee Stock Options in 2017					
Approval date	April 25, 2017					
Total units (Note 1)	2,000					
Issue date	November 28, 2017	December 5, 2017	January 5, 2017	February 7, 2018	March 30, 2018	April 18, 2018
Shares issued	330,000	500,000	329,000	95,000	250,000	200,000
Issuable shares	0					
Shares of stock options to be issued as a percentage of outstanding shares	0.41%	0.62%	0.41%	0.12%	0.31%	0.25%
Period	The stock options shall be valid for 10 years from the Grant date and shall expire after such period					
Method of performance	Issuance of new shares					
Period and percentage in which subscription is restricted (%)	After two full years, 50% of stock options can be exercised, with 1/48 of the total shares vesting every month					
Exercised shares	291,000	420,000	255,700	62,000	197,250	165,475
Amount of the shares exercised	23,629,200	31,458,000	24,393,780	5,772,200	22,644,300	19,956,285
Unexercised shares	19,000	0	7,300	8,000	29,000	6,150
Price per share of the unexercised shares	81.20	74.90	95.40	93.10	114.80	120.60
Percentage of unexercised shares to total issued shares	0.02%	0.00%	0.01%	0.01%	0.04%	0.01%
Number of invalid shares (Note 2)	20,000	80,000	66,000	25,000	23,750	28,375
Impact on possible dilution of shareholdings	Financial Statements will be presented in accordance with the International Accounting Standards. However, after two full years upon expiration of the employee stock options granted by the Company, 50% of the granted stock options can be exercised, with 1/48 of the total shares vesting every month. The influence on shareholders' interests will be gradually diluted.					

Note 1 : One unit is 1,000 shares.

Note 2 : The number of invalid shares were from employees' resignation and expired employee stock options.

Types of Employee Stock Options	Employee Stock Options in 2018			
Approval date	May 21, 2018			
Total units (Note 1)	2,000			
Issue date	August 10, 2018	September 20, 2018	March 19, 2019	May 20, 2019
Shares issued	500,000	500,000	500,000	500,000
Issuable shares	0			
Shares of stock options to be issued as a percentage of outstanding shares	0.62%	0.62%	0.62%	0.62%
Period	The stock options shall be valid for 10 years from the Grant date and shall expire after such period			
Method of performance	Issuance of new shares			
Period and percentage in which subscription is restricted (%)	After two full years, 50% of stock options can be exercised, with 1/48 of the total shares vesting every month			
Exercised shares	452,500	373,287	452,500	369,999
Amount of the shares exercised	53,666,500	31,878,710	33,168,250	26,861,927
Unexercised shares	2,500	58,563	8,000	79,438
Price per share of the unexercised shares	118.60	85.40	73.30	72.60
Percentage of unexercised shares to total issued shares	0.00%	0.07%	0.01%	0.10%
Number of invalid shares (Note 2)	45,000	68,150	39,500	50,563
Impact on possible dilution of shareholdings	Financial Statements will be presented in accordance with the International Accounting Standards. However, after two full years upon expiration of the employee stock options granted by the Company, 50% of the granted stock options can be exercised, with 1/48 of the total shares vesting every month. The influence on shareholders' interests will be gradually diluted.			

Note 1 : One unit is 1,000 shares.

Note 2 : The number of invalid shares were from employees' resignation and expired employee stock options.

Types of Employee Stock Options	Employee Stock Options in 2019				
Approval date	May 21, 2019				
Total units (Note 1)	1,000				
Issue date	August 7, 2019	November 7, 2019	November 22, 2019	February 18, 2020	April 28, 2020
Shares issued	500,000	40,000	160,000	150,000	150,000
Issuable shares	0				
Shares of stock options to be issued as a percentage of outstanding shares	0.62%	0.05%	0.20%	0.19%	0.19%
Period	The stock options shall be valid for 10 years from the Grant date and shall expire after such period				
Method of performance	Issuance of new shares				
Period and percentage in which subscription is restricted (%)	After two full years, 50% of stock options can be exercised, with 1/48 of the total shares vesting every month				
Exercised shares	441,708	20,000	115,166	75,250	85,829
Amount of the shares exercised	41,255,527	3,620,000	23,136,849	15,268,225	22,530,113
Unexercised shares	41,000	0	16,000	63,750	47,710
Price per share of the unexercised shares	93.40	181.00	200.90	202.90	262.50
Percentage of unexercised shares to total issued shares	0.05%	0.00%	0.02%	0.08%	0.06%
Number of invalid shares (Note 2)	17,292	20,000	28,834	11,000	16,461
Impact on possible dilution of shareholdings	Financial Statements will be presented in accordance with the International Accounting Standards. However, after two full years upon expiration of the employee stock options granted by the Company, 50% of the granted stock options can be exercised, with 1/48 of the total shares vesting every month. The influence on shareholders' interests will be gradually diluted.				

Note 1 : One unit is 1,000 shares.

Note 2 : The number of invalid shares were from employees' resignation and expired employee stock options.

Types of Employee Stock Options	Employee Stock Options in 2020			
Approval date	April 28, 2020			
Total units (Note 1)	2,000			
Issue date	June 15, 2020	July 31, 2020	December 15, 2020	March 8, 2021
Shares issued	400,000	200,000	800,000	600,000
Issuable shares	0			
Shares of stock options to be issued as a percentage of outstanding shares	0.49%	0.25%	0.99%	0.74%
Period	The stock options shall be valid for 10 years from the Grant date and shall expire after such period			
Method of performance	Issuance of new shares			
Period and percentage in which subscription is restricted (%)	After two full years, 50% of stock options can be exercised, with 1/48 of the total shares vesting every month			
Exercised shares	344,728	102,583	337,795	163,499
Amount of the shares exercised	110,002,705	57,272,089	186,192,604	129,311,359
Unexercised shares	55,272	34,000	236,620	379,313
Price per share of the unexercised shares	319.10	558.30	551.20	790.90
Percentage of unexercised shares to total issued shares	0.07%	0.04%	0.29%	0.47%
Number of invalid shares (Note 2)	0	63,417	225,585	57,188
Impact on possible dilution of shareholdings	Financial Statements will be presented in accordance with the International Accounting Standards. However, after two full years upon expiration of the employee stock options granted by the Company, 50% of the granted stock options can be exercised, with 1/48 of the total shares vesting every month. The influence on shareholders' interests will be gradually diluted.			

Note 1 : One unit is 1,000 shares.

Note 2 : The number of invalid shares were from employees' resignation and expired employee stock options.

Types of Employee Stock Options	Employee Stock Options in 2021				
Approval date	May 5, 2021				
Total units (Note 1)	1,500				
Issue date	May 17, 2021	August 20, 2021	October 29, 2021	March 9, 2022	April 29, 2022
Shares issued	800,000	50,000	50,000	200,000	200,000
Issuable shares	0				
Shares of stock options to be issued as a percentage of outstanding shares	0.99%	0.06%	0.06%	0.25%	0.25%
Period	The stock options shall be valid for 10 years from the Grant date and shall expire after such period				
Method of performance	Issuance of new shares				
Period and percentage in which subscription is restricted (%)	After two full years, 50% of stock options can be exercised, with 1/48 of the total shares vesting every month				
Exercised shares	233,952	10,333	19,832	45,561	51,499
Amount of the shares exercised	92,738,573	5,769,947	19,683,260	43,155,379	43,969,846
Unexercised shares	429,776	26,667	20,168	121,834	92,501
Price per share of the unexercised shares	396.40	558.40	992.50	947.20	853.80
Percentage of unexercised shares to total issued shares	0.53%	0.03%	0.02%	0.15%	0.11%
Number of invalid shares (Note 2)	136,272	13,000	10,000	32,605	56,000
Impact on possible dilution of shareholdings	Financial Statements will be presented in accordance with the International Accounting Standards. However, after two full years upon expiration of the employee stock options granted by the Company, 50% of the granted stock options can be exercised, with 1/48 of the total shares vesting every month. The influence on shareholders' interests will be gradually diluted.				

Note 1 : One unit is 1,000 shares.

Note 2 : The number of invalid shares were from employees' resignation and expired employee stock options.

Types of Employee Stock Options	Employee Stock Options in 2022		
Approval date	May 23, 2022		
Total units (Note 1)	800		
Issue date	August 26, 2022	November 15, 2022	May 22, 2023
Shares issued	200,000	100,000	125,000
Issuable shares	0		
Shares of stock options to be issued as a percentage of outstanding shares	0.25%	0.12%	0.15%
Period	The stock options shall be valid for 10 years from the Grant date and shall expire after such period		
Method of performance	Issuance of new shares		
Period and percentage in which subscription is restricted (%)	After two full years, 50% of stock options can be exercised, with 1/48 of the total shares vesting every month		
Exercised shares	16,562	11,333	0
Amount of the shares exercised	13,214,820	9,336,125	0
Unexercised shares	158,438	88,667	84,000
Price per share of the unexercised shares	797.90	823.80	1,490.20
Percentage of unexercised shares to total issued shares	0.20%	0.11%	0.10%
Number of invalid shares (Note 2)	25,000	0	41,000
Impact on possible dilution of shareholdings	Financial Statements will be presented in accordance with the International Accounting Standards. However, after two full years upon expiration of the employee stock options granted by the Company, 50% of the granted stock options can be exercised, with 1/48 of the total shares vesting every month. The influence on shareholders' interests will be gradually diluted.		

Note 1 : One unit is 1,000 shares.

Note 2 : The number of invalid shares were from employees' resignation and expired employee stock options.

Types of Employee Stock Options	Employee Stock Options in 2023	Employee Stock Options in 2024	
Approval date	May 23, 2023	May 17, 2024	
Total units (Note 1)	300	200	
Issue date	March 13, 2024	August 26, 2024	November 1, 2024
Shares issued	19,000	20,000	15,000
Issuable shares	281,000	165,000	
Shares of stock options to be issued as a percentage of outstanding shares	0.02%	0.02%	0.02%
Period	The stock options shall be valid for 10 years from the Grant date and shall expire after such period	The stock options shall be valid for 10 years from the Grant date and shall expire after such period	
Method of performance	Issuance of new shares	Issuance of new shares	
Period and percentage in which subscription is restricted (%)	After two full years, 50% of stock options can be exercised, with 1/48 of the total shares vesting every month	After two full years, 50% of stock options can be exercised, with 1/48 of the total shares vesting every month	
Exercised shares	0	0	0
Amount of the shares exercised	0	0	0
Unexercised shares	19,000	20,000	15,000
Price per share of the unexercised shares	3,374.40	2,484.50	2,026.90
Percentage of unexercised shares to total issued shares	0.02%	0.02%	0.02%
Number of invalid shares (Note 2)	0	0	0
Impact on possible dilution of shareholdings	Financial Statements will be presented in accordance with the International Accounting Standards. However, after two full years upon expiration of the employee stock options granted by the Company, 50% of the granted stock options can be exercised, with 1/48 of the total shares vesting every month. The influence on shareholders' interests will be gradually diluted.	Financial Statements will be presented in accordance with the International Accounting Standards. However, after two full years upon expiration of the employee stock options granted by the Company, 50% of the granted stock options can be exercised, with 1/48 of the total shares vesting every month. The influence on shareholders' interests will be gradually diluted.	

Note 1 : One unit is 1,000 shares.

Note 2 : The number of invalid shares were from employees' resignation and expired employee stock options.

B. List of executives and the top ten employees receiving Employee Stock Options

March 31, 2025; Unit : share thousand / NT\$ thousand

Title	Name	No. of Subscribed Shares	Ratio of Subscribed Shares to Total Issued Shares	Exercised			Unexercised				
				No. of Shares	Price Per share	Amount	Ratio of Shares to Total Issued Shares	No. of Shares	Price Per share	Amount	Ratio of Shares to Total Issued Shares
CEO	Johnny Shyang- Lin Shen	4,898.60	6.06%	600.00	55.20	33,120.00	0.74%	0.00	55.20	0.00	0.00%
				397.00	36.30	14,411.10	0.49%	0.00	36.30	0.00	0.00%
685.00	24.40			16,714.00	0.85%	0.00	24.40	0.00	0.00%		
78.00	40.00			3,120.00	0.10%	0.00	40.00	0.00	0.00%		
Vice President	Andy Lin			181.00	81.20	14,697.20	0.22%	19.00	81.20	1,542.80	0.02%
				420.00	74.90	31,458.00	0.52%	0.00	74.90	0.00	0.00%
Sr. Vice President	Dave Hwang			38.00	95.40	3,625.20	0.05%	0.00	95.40	0.00	0.00%
Sr. Vice President	Leo Cheng			355.00	118.60	42,103.00	0.44%	0.00	118.60	0.00	0.00%
Vice President	Robert Chang			15.85	85.40	1,353.59	0.02%	2.75	85.40	234.85	0.00%
CFO	Daniel Wang			360.00	73.30	26,388.00	0.45%	0.00	73.30	0.00	0.00%
Vice President	Peter Teng	71.00	72.60	5,154.60	0.09%	29.00	72.60	2,105.40	0.04%		
Financial Controller	Nancy Chan	313.00	93.40	29,234.20	0.39%	17.00	93.40	1,587.80	0.02%		
Employee	Doni Ding	20.00	200.90	6,382.00	0.02%	0.00	200.90	0.00	0.00%		
	Kozo Fujita	33.00	202.90	18,189.60	0.04%	32.00	202.90	17,638.40	0.04%		
	Junichiro Hosaka	319.73	319.10	252,872.88	0.40%	55.27	319.10	43,714.62	0.07%		
	Daisy Hsu	44.00	551.20	17,441.60	0.05%	6.00	551.20	2,378.40	0.01%		
	James Huang	106.25	790.90	100,640.00	0.13%	293.75	790.90	278,240.00	0.36%		
	Vincent Ku	66.63	396.40	56,884.43	0.08%	256.38	396.40	218,892.98	0.32%		
	Yuntao Liao	0.00	947.20	0.00	0.00%	36.00	947.20	28,724.40	0.04%		
	Allan Lin	0.00	853.80	0.00	0.00%	20.00	853.80	16,476.00	0.02%		
	Hiroyuki Nagashima	4.00	797.90	0.00	0.00%	16.00	797.90	0.00	0.02%		

	Jokie Zhou				0.00	823.80	0.00	0.00%	8.00	823.80	0.00	0.01%
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C. Status of any private placement of employee stock warrants during the 3 most recent years and up to the date of the publication of the Annual Report:
None.

3.1.11 Issuance of New Restricted Employee Shares

None.

3.1.12 Status of mergers or acquisitions

None.

3.1.13 Issuance of new shares for merging and transferring the stocks of other companies

None.

3.2 Implementation of Company's Capital Allocation Plans

Year 2024 issued new common shares to be offered in the form of Global Depositary Receipts.

1. Use of Proceeds Plan: Purchase of Raw Materials.
2. Proceeds Needed from the Plans : US\$412,661 thousand (NT\$12,950,000 thousand).
3. Sources of Proceeds : Issued new common shares to be offered in the form of Global Depositary Receipts.
4. Estimated Benefits: For purchase of raw material from GDR offering will save interest expenses.
5. Status of Implementation

Unit: thousand

Plan	Status of Implementation		Amount As of March 31, 2025		Reason of schedule changed and improvement plan
Purchase of Raw Materials	Amount to be used	Estimated	US\$	412,661	The amount to be used was US\$412,661 thousand as of June 30, 2024, the use of proceeds is 100% executed
			NT\$	12,950,000	
		Actual	US\$	412,661	
			NT\$	12,950,000	
	% of execution	Estimated	100.00		
		Actual	100.00		

IV. Overview of Business Operations

4.1 Business Activities

4.1.1 Business scope

A. Main business operations

Alchip engages in Application Specific IC (ASIC) and System-on-Chip (SoC) design, manufacturing, and production, and is especially adept at deep-submicron, complex high-end processing devices.

B. Revenue by service category

Unit: NT\$ thousand

Category	2023		2024	
	Amount	%	Amount	%
ASIC and Chip production	29,982,507	98.36	51,586,295	99.27
NRE	402,093	1.32	365,751	0.70
Others	96,976	0.32	16,524	0.03
Total	30,481,576	100.00	51,968,570	100.00

C. Main products and services

- (1) ASIC and Chip production: Provides customers with Non-Recurring Engineering (NRE) of Application Specific Integrated Circuits (ASICs) and System on Chips (SoCs); and mass production management of wafer manufacturing, packaging, and testing.
- (2) Non-Recurring Engineering (NRE): Provides the circuit design component database and Silicon Intellectual Property (SIP) required by product design to produce circuit diagrams for the mask-making process, manufacture masks, wafer, cutting, and packaging on a consign basis; then delivering trial production samples after product testing.
- (3) Others: Provides customers with one-off back-end wafer fabrication, packaging, and testing.

D. New products (services) development

The Company is committed to the research, development, and manufacturing of leading-edge integrated circuits, including custom design utilities and design methodologies that ensure quality services. It also provides a chiplet technology platform; a HPC IP portfolio (including DDR, HBM, PCIe and SerDes); and the latest 2.5D/3D heterogeneous packaging capabilities to meet AI/HPC market demands.

4.1.2 Industry overview

A. Current status and industry outlook

As Moore's Law approaches its physical limits, the continued performance scaling of general-purpose processors faces increasing challenges. By contrast, Application-Specific Integrated Circuits (ASICs) are gaining prominence due to their highly optimized architectures for specific workloads and algorithms. By offering enhanced computational throughput and significantly improved power efficiency, ASICs are a critical enabler of innovation and performance breakthroughs across the semiconductor industry. Alchip provides design and manufacturing services for highly complex ASICs and SoCs. The industry's current status and outlook are as follows:

(1) Rise of fabless ASIC

In the past, a system company could choose to develop its own ASICs and/or SoCs to create differentiation and stay competitive; or to entrust the turnkey production process, including design,

manufacturing, packaging, and testing to reliable ASIC partners. Concurrently, the advent of deep submicron process technologies, increased expenditures on technology R&D, investments in machinery, equipment, and factories rose rapidly. Integrated Design Manufacturers (IDMs) couldn't afford the infrastructure investment, so pure-play foundries surpassed them. Many systems companies responded by concentrating their resources on product specifications and front-end design, choosing to outsource the product's back-end design and production to fabless ASIC companies.

Through collaboration with strategic partners (including wafer fabrication, packaging, and testing house), fabless ASIC companies provide complete solutions, from RTL/Netlist to chip manufacturing, packaging, and testing. System companies now enjoy faster time-to-market, lower costs, and more professional design capability.

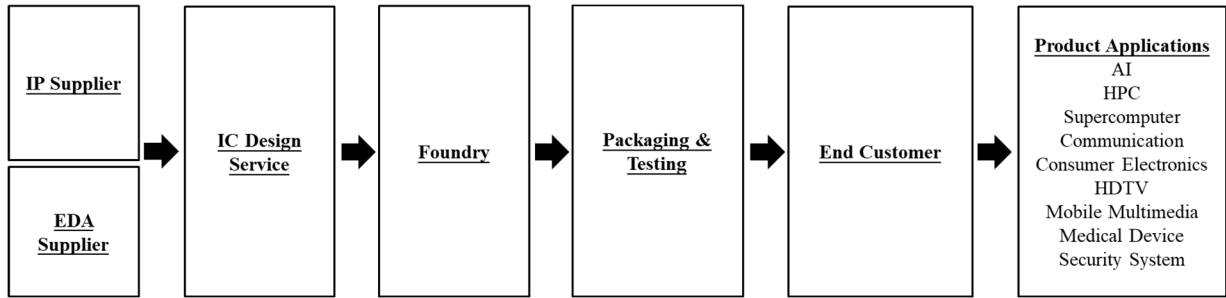
(2) SoC Overview

With the evolution of integrated circuit (IC) manufacturing processes and electronic component miniaturization, the market demand for small, power-efficient multifunction devices increased dramatically, paving the way for the system-on-chip (SoC) integrated circuit. SoC refers to the integration of a core processor, logic unit, memory unit, and a variety of I/O interfaces on a single chip. One chip can function as a complete system leaving space for other devices that perform a variety of specific functions, such as GPS positioning, WiMax, Audio/Video, cameras, and TV receivers.

As foundry processes move toward nanoscale nodes and external IP becomes broadly adopted, SoC designers face design validation and analysis challenges. Growing integration complexity has led to a surge in SoC costs and with them, increased risks. By offering a total design solution tightly coupled with manufacturing processes, Alchip provides substantial added value to its customers. Very few fabless ASIC companies can provide high-end SoC design. The Company's design capacity is, therefore, fully occupied most of the time. More growth can be expected as large system companies outsource more and more SoC designs.

B. The up-stream, mid-stream, and down-stream semiconductor value chain

The fabless ASIC industry has driven the development of system applications, silicon intellectual property (SIP), manufacturing, packaging, and testing; forming an industry value chain characterized by specialization and a division of labor. The diagram below defines, in a general way, functions performed by each link in the value chain.



C. Product Development Trends

(1) ASIC: ASIC development is being driven by both market demand and technological advancements. As emerging technologies such as 5G, the Internet of Things (IoT), artificial intelligence (AI), and autonomous driving continue to rapidly evolve, ASICs have become essential components due to their high performance, low power consumption, and customization capabilities. With AI technology advances, particularly in generative AI and large-scale language models, there is increasing demand for computational power and energy efficiency. This drives the rapid expansion of ASICs in the AI sector.

Technologies like ChatGPT signify breakthroughs in AI chip technology, solidifying ASICs as pivotal to the future of AI chips. Initially focused on smart terminals, ASICs are rapidly penetrating the cloud inference domain, due to their exceptional computational capabilities. The increasing demand for computational power for large-scale models emphasizes the significance of inference ASICs, making them vital to the AI chip market. Simultaneously, expanding consumer electronics demand is also expected to fuel ASIC market growth. Technologically, ASIC design and manufacturing are moving toward more cutting-edge process nodes, where 7nm, 5nm, and 3nm technologies significantly improve performance and energy efficiency. Additionally, the adoption of 3D packaging technology has contributed to integration and functional complexity, while advances in Electronic Design Automation (EDA) tools have shortened design cycles and reduced development costs.

- (2) SoC: The evolution of System-on-Chip (SoC) demands a delicate equilibrium across performance, computational power, power efficiency, and manufacturing complexity. AI has emerged as a pivotal domain for SoC manufacturers, imposing rigorous algorithmic requirements, particularly in power-constrained scenarios where computational efficiency is paramount. SoCs have dominated sectors like smartphones and tablets, driven by demand for high performance and low power consumption. They are also found in applications such as autonomous driving and Artificial Intelligence of Things (AIoT) and are expected to expand into other domains. The proliferation of Big Data increases the need for edge computing, fueling growing demand for intelligent hardware.

D. Market competition

The primary competitors for Fabless ASIC companies are Integrated Design Manufacturer (IDM) and other Fabless ASIC companies. With the shift to deep submicron technology, large IDMs have declined, unable to compete with fabless ASIC companies because of the high cost of production. Currently, most IDMs are gradually moving to a Fab-lite or Fabless model. Time-to-market is becoming a significant differentiator amongst Fabless ASIC competitors. With improving processing speed improvement, and more complex modulation/demodulation algorithms, designers are minimizing power consumption in shorter design cycles. Other designers are investigating how package design can tolerate ultra-high-power consumption to ensure high-speed interface signal quality. Alchip is successfully responding to both challenges and is considered a leading fabless ASIC company in a competitive global semiconductor market.

4.1.3 Research and Development

A. In 2024 and 2023, the Company invested NT\$2,141,874 thousand and NT\$1,546,585 thousand in R&D, respectively.

B. Successful technology development

Alchip utilizes electronic design automation (EDA) tools and internally-developed design technologies, including circuits, physical design, and unique software tools for design, to improve device efficiency, reduce size, lower power consumption, and speed deployment. Internally researched and developed technologies are listed below:

- (1) Hierarchical physical design and timing budget method: Through this method, chip design is divided into multiple parts that can be designed simultaneously, controlling the timing of each part to meet a chip's overall timing requirements.
- (2) Physical design method: Through this method, diverse types of Silicon Intellectual Property (IP) are used in the high-density chip design to reduce the chip size and achieve cost cutting goals.
- (3) Timing and electrical design method: This method improves the defect-free rate by adjusting several parameters.

- (4) Power consumption distribution method: This method reduces power consumption and enhances electrical efficiency.
- (5) Design for Testability (DFT): This method maximizes chip test coverage, optimize test vectors, and reduces test time and costs.
- (6) Product planning and specification development technology: Alchip conducts cost planning, including the selection of a System-on-Chip (SoC) or System in Package (SiP), system cost and bill of material (BOM) costs planning, consideration of process maturity and Silicon Intellectual Property (IP) stability, feasibility of next-generation process (half node), and evaluation on Static Random Access Memory (SRAM) repair. It also specifies finished product testing solutions, including the joint development of test solutions with IP vendors, and establishing built-in test module (DFT, BIST), that reduce testing cost. The technology also develops the most appropriate packaging approach and coordinates with packaging houses to maximize finished product quality and market efficiency.
- (7) SoC and 2.5D/3D package co-design: 2.5D/3D advanced packaging technology plays an indispensable role in AI HPC SoC design. Alchip has successfully completed several devices running on N7/N5/N3 process technologies that feature the latest 2.5D/3D chip-to-package designs, including CoWoS-R, CoWoS-L, InFO. Particularly noteworthy is the implementation of a 3DIC clock mesh structure, which supports synchronous clock and passes between top and bottom dies, with configurable and controllable features. It is compatible with multiple complex usage scenarios.
- (8) Prototype and production technology: During device prototyping and production stages, Alchip works closely with suppliers to reduce time-to-production, while analyzing product characteristics and sensitivity. They then formulate process conditions and test specifications for the mass production. The Company also provides a small number of prototypes. During the final acceptance inspection process, Alchip prepares the mass production of chips, including reliability/qualification analysis. Upon entering production, it continues to improve the defect-free rate and shortens testing time to reduce production costs.

C. Latest technology successes

- (1) Completed 5nm APLink IP testing in the first half of 2022.
- (2) Completed 5nm test chip design and taped out in the first half of 2022.
- (3) Taped out 7nm design with TSMC CoWoS® advanced packaging technology on HPC GPU products in the first half of 2022.
- (4) Taped out a 16nm automotive ethernet transceiver design in the second half of 2022.
- (5) Taped out a 5nm networking design in the second half of 2023.
- (6) Developed 3nm customer design plans with test chip tape-out in January 2023.
- (7) Completed multiple 7nm designs with TSMC CoWoS® and InFO advanced packaging with customer products entering mass production in 2023.
- (8) Taped out a 5nm automotive ethernet transceiver design in the second half of 2024.
- (9) Completed multiple 5nm designs for artificial intelligence applications in 2024.
- (10) Completed 2nm test chip design and taped out in the second half of 2024.
- (11) Tier-one system company successes
 - A. A North American company collaborated with Alchip in 2022 to produce a 16nm automotive application design.
 - B. A North American company collaborated with Alchip in 2023 to produce an advance packaged 7nm artificial intelligence device.
 - C. A North American company collaborated with Alchip in 2024 to produce an advance package 5nm artificial intelligence device.

4.1.4 Short-term and long-term business development plans

Alchip will continue to focus on its core businesses – research, development, design and manufacturing of high-end processing SoCs by working closely with world-class manufacturing suppliers through leading technologies. The Company’s short- and long-term business development plans are implemented through R&D, business, and production initiatives.

Item	Short-term Business Development Plan	Long-term Business Development Plan
R&D	1. Enable early customer adoption of advanced 2nm process technology. 2. Invest in a 2nm test chip to validate silicon data and design methodology. 3. Design and verify high-speed 3D D2D (die-to-die) interface IP to facilitate customer 3D SoC designs at 2/3nm chip design. 4. Invest in a 3D test chip in collaboration with a major foundry and OSAT supplier to ensure 3D packaging readiness. 5. Extend the low-power and low-voltage custom digital cell portfolio for 2/3nm chip designs.	1. Build an AI-assisted SoC design platform to support leading edge semiconductor process nodes. 2. Enable SoC designs through a 2.5D/3D chiplet solution platform. 3. Develop next-generation System-on-Wafer (SoW) design technology to help customers integrate system-level designs on wafers. 4. Expand the Silicon Intellectual Property library by investing in high-end custom digital/analog circuit R&D. 5. Improve performance and energy saving by introducing a new SoC design methodology and custom circuit. 6. Enable system-level design services by offering SI/PI/Thermal and IP-sub-system design and verification.
Business	1. Focus on system customers, and select products with a large volume potential, particularly in HPC/AI fields. 2. Transit system customers’ existing products into advanced processes to reduce costs and power consumption. 3. Increase system integration such as SoC and SiP architectures. 4. Find and develop customers with the best market potential; focus on customers in the Company’s three main target markets.	1. Build services for major global customers through long-term partnerships and core technologies, creating visibility and expanding market share. 2. Strengthen strategic alliances and long-term partnerships with silicon intellectual property suppliers. 3. Collaborate with customers to develop application platform architectures, establish cooperative alliances, and increase competitiveness of system integration architectures, such as SoC and SiP. 4. Enhance cooperation between upstream and downstream companies; broaden the scope to include market information.
Production	1. Enhance integration of upstream, midstream, and downstream processes. 2. Provide high-quality supply chain management to create added value. 3. Build long-term foundry partnerships.	1. Strengthen the link between design and production; continuously reduce production costs and improve the defect-free rate. 2. Provide higher-quality supply chain management and additional back-end consulting capabilities to create added value. 3. Maintain strong, long-term partnerships with foundries to include IP verification and R&D.

4.2 Market and Sales Overview

4.2.1 Market analysis

A. The scale of IC industry is growing.

NT\$B	2021	21/20	2022	22/21	2023	23/22	2024	24/23	2025 (e)	25 (e)/24
Industry Revenue	4,082.0	26.7%	4,837.0	18.5%	4,342.8	-10.2%	5,315.1	22.4%	6,178.5	16.2%
IC Design	1,214.7	42.4%	1,232.0	1.4%	1,096.5	-11.0%	1,272.1	16.0%	1,415.5	11.3%
IC Manufacturing	2,228.9	22.4%	2,920.3	31.0%	2,662.6	-8.8%	3,419.5	28.4%	4,082.7	19.4%
Foundry	1,941.0	19.1%	2,684.7	19.1%	2,492.5	-7.2%	3,243.8	30.1%	3,896.0	20.1%
Memory & Other Manufacturing	287.9	51.0%	235.6	-18.2%	170.1	-27.8%	175.7	3.3%	186.7	6.3%
IC Packaging	435.4	15.3%	466.0	7.0%	393.1	-15.6%	423.3	7.7%	460.8	8.9%
IC Testing	203.0	18.4%	218.7	7.7%	190.6	-12.8%	200.2	5.0%	219.5	9.6%
IC Product Revenue	1,502.6	44.0%	1,467.6	-2.3%	1,266.6	-13.7%	1,447.8	14.3%	1,602.2	10.7%
WW Revenue (US\$B) & Growth (%)	555.9	26.2%	574.1	3.3%	526.9	-8.2%	627.6	19.1%	697.9	11.2%

(e): Estimate

Source : TSIA, ISTI/ITRI (February 2025)

A survey conducted by TSIA (Taiwan Semiconductor Industry Association) revealed that the global inflation has moderated, and end-market demand is gradually recovering, driven by the rising adoption of AI applications, fueling continued semiconductor industry growth. Total 2024 semiconductor revenue in the US equaled US\$194.6 billion, representing growth of a 44.8% from 2023. Japan 2023 Revenue totaled US\$46.6 billion, a 0.4% decline year-on-year. Revenue from Europe totaled US\$51.3 billion, an 8.1% decrease year-on-year. China revenue totaled US\$182.5 billion, up 18.3% year-on-year. Revenue in Asia Pacific totaled US\$152.7 billion, a 12.5% increase year-on-year.

Worldwide 2024 semiconductor revenue totaled US\$627.6 billion, a year-to-year growth of 19.1%. Taiwan IC revenue in 2024 is expected to reach NT\$5,315.1B (US\$165.6B) (22.4% growth from 2023), with NT\$1,272.1B in design (US\$39.6B) (up 16.0%). Growth is attributed to a low base from the previous year, recovery in consumer electronics, and the launch of new devices like smartphones and AI-enabled PCs, which have increased demand for semiconductor components. The surge in edge AI computing and communication infrastructure upgrades have also boosted demand across AI, telecom, and consumer electronics markets, contributing to significant growth in Taiwan's IC design industry.

(1) Trend I: An industry with specialization and a division of labor

Until the early 1980's, the semiconductor industry was characterized as a closed production system that vertically integrated upstream, midstream, and downstream processes through system companies who operated standalone enterprises. The dedicated foundry business model, established by TSMC and UMC in 1987, changed all of that. After 2000, the specialization and division of labor in the semiconductor industry became increasingly apparent, apart from a few large IDMs who owned both IC design and foundry capabilities. Today, system companies concentrate on R&D in core technologies and brand marketing, outsourcing back-end design and production supply chain management to fabless ASIC companies. The fabless ASIC companies have allied with strategic partners to form an industry characterized by specialization and a division of labor.

(2) Trend II: High-end processes replace low-end processes.

ASIC design seeks to reduce the cost of high-end processes, lower power consumption and shrink device size. According to a recent Allied Market Research report, the global ASIC market was valued at \$14.87 billion in 2018, and is projected to reach \$28.05 billion by 2026, a CAGR of 8.61% between 2019 and 2026.

- (3) Trend III: System integration gradually moves to SoC (system design)/SiP (System in Package) System products face intense market competition. Shorter development times and more efficient designs are primary customer requirements. ASIC design covers both SoC and SiP system level integration. Compared with traditional IC packaging, SiP package stacking technology reduces design time, increases packaging density, lowers risks, and saves system costs. While pursuing high-end processes, one has to consider chip packaging and testing technology to gain competitive cost, power consumption, and volume advantages. In the future, SoCs will gradually move towards cross-platform collaboration to make the most of competitive integration through SiP/ SoC integration.
- (4) Trend IV: System manufacturers gradually move toward outsourcing ASIC design and production. Major system products manufacturers serving markets, such as cameras, tablet PCs, and smart phones, are under the dual pressures of providing more functional diversity at cost competitive prices. Increasingly, these companies are investigating the adoption of an ASIC strategy to gain differentiation and competitive advantages. System manufacturers will concentrate more on keeping core firmware in-house and gradually move toward outsourcing ASIC design and production. As automobiles transform into highly connected smart vehicles, the demand for specialized automotive chips has grown significantly. ASICs are key to supporting the development of automotive intelligence and electrification, driving industry innovation. Meanwhile, with rising AI computational power demands, cloud providers face challenges related to higher energy consumption and costs. ASICs, with their high performance and low power consumption, have become the preferred solution for cloud providers to meet specific computational needs. Overall, ASICs are becoming essential across multiple sectors, driving technological progress and industry advancement.

B. Sales by region

Unit: NT\$ thousand

Regions of sales	2023		2024	
	Amount	%	Amount	%
Taiwan	2,743,303	9.00	601,460	1.16
Japan	1,919,287	6.30	802,591	1.54
Mainland China	3,873,414	12.71	4,679,049	9.00
Europe	2,401,017	7.88	1,164,203	2.24
United States	19,237,266	63.11	44,721,267	86.06
Others	307,289	1.00	-	-
Total	30,481,576	100.00	51,968,570	100.00

C. Market share

As a global ASIC/SoC design service leader, Alchip drives its business with scale and uniqueness. It is one of the top 10 IC design companies in Taiwan.

D. Future Demand/Supply Conditions and Potential Market Growth

With SoC's driving a wide and diverse array of end products, IC manufacturers and IC design companies are constantly striving to increase productivity through faster time-to-market and lower IC design costs. More and more, system manufacturers prefer to work with fabless ASIC companies who provide the proven capability to integrate various silicon macros, or IP, into their design and manufacturing output.

Across all geographic regions, North America's huge domestic market is the driving force behind Alchip's growth, and it will be a key area of focus for Alchip's future development. On the technology front, the Company constantly improves its FinFET technology (16nm and below) methodologies, improves its use of general commercial software for R&D design (EDA), and enhances its supplier chain management to make its customers' products market leaders.

E. Competitive Niche

(1) Advance process technology experience:

Currently the technical experience of most fabless ASIC companies remains at the 28nm node and above. Alchip, however, stands out with its cutting edge, advanced technology capabilities, focusing on primarily on highly complex designs with more than 20 million gates using advanced process technologies of 7nm and below for world-class system companies. Alchip has successfully overcome challenges in electrical closure (including power management, timing convergence, system interface, and signal integrity), Design-for-Test (DFT), Design-for-Manufacturing (DFM), and other system-level challenges.

(2) Its approach has led to reduced design time and increased chip efficiency, which in turn lowers costs, boosts production efficiency, reduces power consumption, and optimizes chip size. Customization service:

To meet individual and diverse customer's needs, the Company offers moderate flexibility and creates customized design. Alchip aims to first understand customer's requirements, then provides comprehensive services from design to mass production.

(3) Quality Assurance:

Alchip's goal is to provide the highest-quality solutions that reflect the highest standard of excellence, and creativity. In that spirit, the Company integrates Design-for-Test (DFT) capabilities into the design stage. Additionally, a hardware circuit is installed on a chip to facilitate early detection of faults and manufacturing defects, thereby reducing testing costs and improving the defect-free rate in mass production. These steps are part of Alchip's strict quality policies, which includes continuously reviewing and enhancing services. The aim of this quality service is to complete tasks in a time-sensitive and highly cost-effective manner, ensuring that products and performance meet customer's requirements.

(4) Advanced process design technologies:

Alchip engineers have mastered a vast array of design capabilities covering both mature and advanced process technologies. This expertise provides them with an in-depth understanding of the variability across advanced processes. As a result, Alchip engineers are able to minimize design risk by predicting and preventing issues arising from this variability. In the chip design and packaging, their system analysis capabilities and experience ensure the predictability of system factors, such as: Signal Integrity (SI) and Power Integrity (PI). Alchip's advanced process design solutions have achieved empirical results for more than 200 million mass-production chips. By adopting Alchip's design programs, customers can achieve their product design goals in the shortest possible time and gain significant cost-effectiveness when their devices reach mass production.

(5) Reliability Assurance:

High-complexity SoCs encounter numerous challenges related to reliability, quality, cost, and time-to-market. The Company has completed over 500 design projects since it started business in 2003 and has earned a number of industry and system company quality certifications. Regardless of complexity, Alchip has constantly achieved first time silicon success on all its wafer starts. Alchip has accumulated this enviable record because it carefully considers all environment variation factors during early circuit design stages, which helps eliminate the time and reduce the costs associated with re-designs and re-spins.

- (6) Alchip secures a high level of reliability assurance through careful planning and execution, concentrating on reliability, providing pre-sales support, and continually enhancing the reliability in related products. Long-term customer relationships and strategic alliance partners:

The Company maintains long-term relationships with all customers, and pursues shared goals for better, quicker outcomes and reduced costs.

Through its supply chain management practices, it also upholds strong relationships with strategic partners upstream and downstream, to provide customers with comprehensive solutions and more competitive products.

F. Advantages, disadvantages, and responsive strategies in the development of perspective

(1) Advantageous factors:

- i. A complete semiconductor industry supply chain in Taiwan: The semiconductor industry is characterized by a division of labor based on specialization and close relationship between upstream and downstream partners. Taiwan has advanced-process wafer fabs, packaging, and testing houses and complete set of satellite suppliers. This ecosystem offers a comparative advantage in IC design services. Additionally, Taiwan's convenient location makes it an attractive hub for international business, because of its world-class international competitiveness.
- ii. Large demand for semiconductor products from Taiwan domestic market: Taiwan's OEM/ODM model extends beyond semiconductors, also possessing very high production efficiency and economies of scale in system product manufacturing. Therefore, there is a large demand within Taiwan's domestic market to support orders from foreign manufacturers companies. Overall speaking, Taiwan's semiconductor industry is driven largely by demand for high-performance computing, artificial intelligence, 5G networks, and autonomous self-driving vehicles. With the robust demand for high-end devices, the industry prospects offer a promising outlook.
- iii. Taiwan government policy support: The government of Taiwan has robustly supported the electronics industry, particularly through investments in the semiconductor OEM/ODM sector, and by promoting the growth of the information technology, consumer electronics, and IC manufacturing industries. The government views the cultivation of talented individuals and the development of a strong industrial structure as key to the long-term development of the sector.

(2) Disadvantageous factors and responsive measures:

- i. The number of engineers with advanced process experience is limited, and it is difficult to find talents. With the booming development of the IC industry, the acquisition of professionals has become increasingly competitive. In response, companies often pay a high price to recruit and keep outstanding talents which increases the labor cost.

【Responsive Measure】

The Company cultivates its talents over time through a blend of internal and external professional education and training programs, coupled with on-job training. Additionally, it enhances employee benefits to reduce the turnover rate.

- ii. Given the semiconductor industry's promising outlook both short-term and long-term, the demands for design resources are expected to be extensive. In response, the Company must steadily increase its resources to enhance service quality. Furthermore, IDM business model is fast becoming non-competitive and system customers are aggressively looking for long-term business partners, the design service industry, currently limited in size, needs to expand its scale to secure larger orders from world-class system companies.

【Responsive Measure】

- Simplify the development and design process to boost productivity.

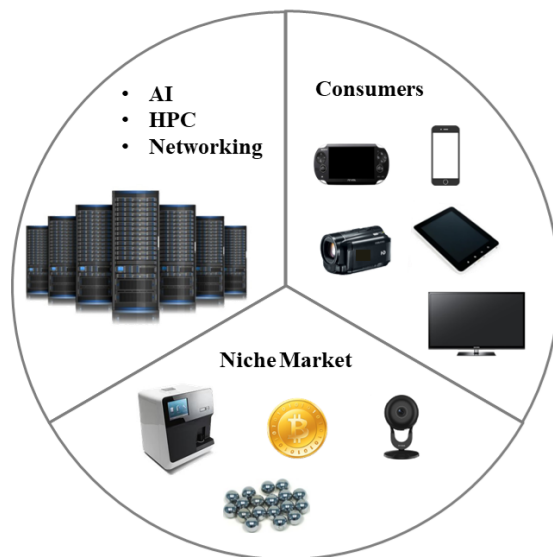
- Develop application specific Silicon Intellectual Property (IP) platforms to shorten design time and reduce resource needs.

4.2.2 Main Product Application and Production Flow

A. Main product application

Alchip's major products are divided into three categories:

- (1) Artificial Intelligence/High-Performance Computing/Communication networking market: The market for network, storage, and computing devices is growing. To meet higher standards for performance, these devices must use increasingly complex high-efficiency and high-density systems-on-chips (SoCs). Alchip has completed several high-performance computing (HPC) devices that are ranked at the top of the Green500 ratings for a Japanese system company. In addition, the Company has also completed a number of HPC projects for CPU manufacturers in China. In the U.S. and Europe regions, Alchip has provided advanced process design and mass production for several high-profile HPC and AI customers.
- (2) Consumer electronics products: Alchip's consumer electronics experience includes designs for applications such as HD-TV, mobile phones, digital still and video cameras, entertainment systems, portable media players, and tablet PCs. Mobile communication devices applications cover MP3, camera, GPS, mobile TV, wireless, and gaming. The semiconductor consumer sector is the fastest growing segment. In response to the fierce competition in the market, Alchip provides predictable chip realization time, adopts applied efficiency circuits with empirical experiences, completes prototype chips and enters mass production in the shortest possible time to help customers achieve maximum returns on their investments.
- (3) Niche market products: These include ASIC designs for special applications such as automotive, surveillance systems, entertainment machines, and medical equipment and instruments.



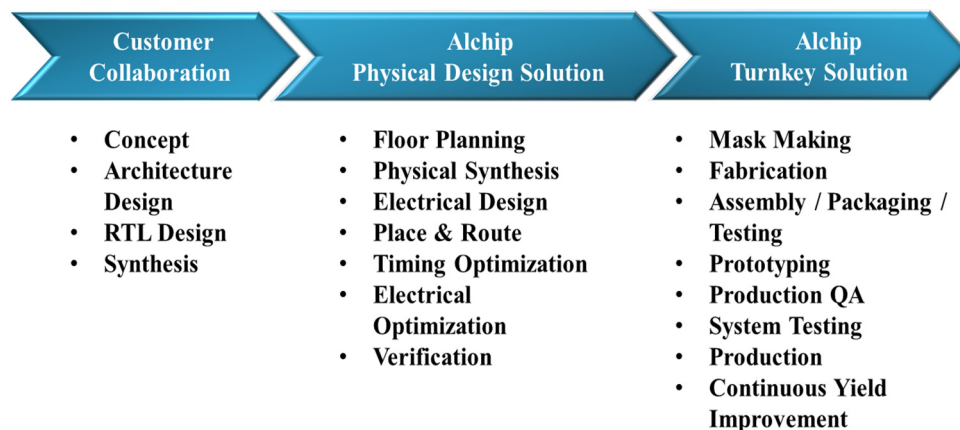
B. Production process of major products:

Chip design is composed of front-end design and back-end design. The front-end design is provided by the system company. The back-end design, production, and manufacturing are subcontracted to Alchip.

At the front-end, the system company defines the product concept. RTL (Register Transform Level) is used to describe functions required by the IC and determines the operating speed of the product. Finally, the target database containing all the details (basic functional logic) is established. Through synthesis software, RTL is converted into a Netlist, where electronic circuits are converted to logic gates, functions are defined, and

the operating clock is optimized. The completed front-end design is then given to a fabless ASIC company like Alchip for back-end design.

Back-end design is divided into two phases. The first phase begins with the initialization of the design case and ends in receipt of customer's final Netlist. In the second phase, engineers use physical design software to convert the Netlist into the actual device layout and generate what is called a GDSII file that is used to print the manufacturing masks. This is commonly known as tape-out.



Alchip provides back-end design and complete “turnkey” services that cover wafer fabrication, packaging, and testing. In Alchip’s service process, the wafer fabrication phase begins after delivery of the GDSII file to foundries for manufacturing. The chip manufacturing process is roughly divided into the following steps: wafer fabrication, wafer probe, assembly, initial test and final test. Alchip has built close working relationships with its suppliers so that it can provide complete back-end design and production.

- (1) Silicon Intellectual Property (IP) providers: Alchip collaborates closely with IP providers to find the most optimal balance between capacity and cost. Alchip offers products from chosen IP providers around the globe. Customers can integrate their own IP with Alchip’s offerings flexibly.
- (2) Foundries: Alchip chooses cooperative firms based on customer’s needs. Alchip operates an open foundries business model that it does not depend on the limited design capability and development of a fixed foundry. The Company keeps good partnerships with most foundries (such as TSMC). It also cooperates closely with TSMC in back-end design research and development for deep-submicron advance packaging, and high-end processing SoCs.
- (3) Packaging/testing house: Alchip engages with the engineering teams of its customer and its packaging/testing house partners from the early stage-of the back-end design stage to ensure design accuracy and industry state-of-the-art manufacturing yields.
- (4) Further along in the process, Alchip logistics group assures timely production and delivery through effective production planning and close collaboration, with all companies in supply chain.

4.2. 3 Raw Material Supply

The Company’s main material is wafers, and the supplier is Taiwan Semiconductor Manufacturing Company (TSMC), a world’s foundry leader. The Company has maintained a long-term partnership with TSMC and established a stable and strong cooperative relationship.

4.2.4 Major suppliers and customers

A. Suppliers accounting for more than 10% of total purchase in any of the latest two years

Unit: NT\$ thousand

	2023				2024				Up to March 31, 2025 (Note 2)			
Item	Supplier	Amount	Percentage of full-year net purchase (%)	Relationship with the issuer	Supplier	Amount	Percentage of full-year net purchase (%)	Relationship with the issuer	Supplier	Amount	Percentage of net purchases up to the preceding quarter of the current fiscal year(%)	Relationship with the issuer
1	Supplier A	10,570,901	48.47	None	Supplier A	25,768,779	78.46	None	-	-	-	-
2	Supplier B	5,365,874	24.60	None	Supplier B	3,994,536	12.16	None	-	-	-	-
3	Supplier C	2,182,491	10.01	None	Supplier C	(Note1)	(Note1)	None	-	-	-	-

Note 1: The suppliers were not disclosed as the purchases to them did not exceed 10% of the company's total purchases for the year.

Explanation: The changes are mainly due to differences in the product sales mix, which affected the purchasing demand from suppliers.

Note 2: As of the publication date, no information has been audited or certified by the CPA.

B. Major customers contributing more than 10% of total sales in any of the latest two years

Unit: NT\$ thousand

	2023				2024				UP to March 31, 2025 (Note 2)			
Item	Customer	Amount	Percentage of full-year net sales (%)	Relationship with the issuer	Customer	Amount	Percentage of full-year net sales (%)	Relationship with the issuer	Customer	Amount	Percentage of net sales up to the preceding quarter of the current fiscal year (%)	Relationship with the issuer
1	Customer A	17,742,729	58.21	None	Customer A	31,266,294	60.16	None	-	-	-	-
2	Customer B	(Note)	(Note)	None	Customer B	11,006,697	21.18	None	-	-	-	-

Note 1: The customers were not disclosed as the sales to them did not exceed 10% of the company's total sales for the year.

Explanation: The increase in the sales to Customer B in 2024 was due to the rise in chip production order, resulting in the increase of chip production shipments.

Note 2: As of the publication date, no information has been audited or certified by the CPA.

4.3 Information on Employees

The Company's number of employees employed, their average years of service, average age, the percentage of employees at each education level for the two most recent years:

Year		2023	2024	The Current Year up to March 31, 2025
Number of Employees	Supervisor of Managerial Level or Above	145	144	139
	General staff	433	453	456
	Total	578	597	595
Average age		32.9	33.6	34.5
Average years of service		6.1	5.4	5.6
Percentage of Employees at Each Education Level	Ph.D.	0.7%	0.5%	0.5%
	Master	36.2%	37.4%	38%
	College	62.6%	61.6%	60.8%
	Senior High School and below (inclusive)	0.5%	0.5%	0.7%

4.4 Expenditure on Environmental Protection

Disbursements for environmental protection: any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in environmental inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: None.

4.5 Labor Relations

4.5.1 Describe employee benefit plans, continuing education, training, retirement systems, and the status of their implementation, and labor-management agreements and measures for upholding employees' rights and interests

A. Employee benefit plans

The Group's employee benefit plans are implemented in accordance with relevant laws and regulations where subsidiaries are located, including labor and health insurance, group insurance, pension distribution, and annual physical examination. The subsidiaries of the Group also establish employee welfare committees responsible for planning and handling employees' welfare matters including cash gifts for holidays and festivals, outing and related activities and year-end party.

B. Employee Health Management

To provide employees with a safe and healthy workplace, we are committed to ensuring the overall well-being of our workforce. In accordance with the Occupational Safety and Health Act and the Labor Health Protection Regulations, the company has established an annual health service plan. This plan is

implemented and managed under four key service categories. The following are the specific measures and their outcomes:

(1) Implementation of Employee Health Protection Measures

- On-site Services Introduction: Includes services provided by occupational health nurses and physicians.
- Corporate Health Management: Involves the identification of workplace environmental hazards and the analysis of employee health.

(2) Execution of Four Major Plans

- Abnormal Workload Management: Measures to manage and reduce employees' workload.
- Work-related Musculoskeletal Disorder Prevention: Provides preventive measures to protect employees' musculoskeletal health.
- Maternal Health Protection: Supports and safeguards the health of pregnant and postpartum employees.
- Prevention of Workplace Violence: Protects employees from unlawful harm in the workplace.

(3) Workplace Health Promotion

- Satisfaction Surveys: Conduct regular surveys to assess employee satisfaction with health promotion initiatives.

(4) Health Information Promotion

- Health Newsletters: Distribute monthly e-newsletters with health-related information.
- Other Health Service Links: Provide employees with access to additional health-related resources and services.

(5) Annual health checkups and health seminars are organized to help employees manage their health.

Topics include stress management, cardiovascular disease prevention, and weight control nutrition programs, aimed at enhancing health awareness and work performance.

Item	2024
Annual Health Checkup	Employee participation rate reached 98%, with a total of 112 employees undergoing the checkup.
Employee Health Surveys	• Abnormal workload survey • Musculoskeletal symptom survey • Risk assessment of workplace violence exposure
Consultations with Physicians and Nurses	• 58 follow-up consultations after health checkups • 18 cases of illnesses triggered by abnormal workload • 11 cases of ergonomics-related musculoskeletal disorders • Total: 87 consultations
Health Seminars	Two health seminars were held, with an average satisfaction rate of 98% and a total of 81 participants.

C. Continuing education and training

To enhance employees' professional capabilities and achieve the company's goals in cultivation of talent, the Company makes annual training programs for employees based on the Company's development strategy and employees' needs, scrupulously implements training, and conducts reviews and auditing on training performance in accordance with ISO Standard for Training Management and Process.

D. Retirement systems and status of their implementation

Alchip's retirement systems are implemented in accordance with Labor Standards Act and Labor Pension Act of the republic of China to provide protection for employees' security.

E. Labor-management agreements and measures for upholding employees' rights and interests

The Group has always valued employees' rights and interests as well as their opinions. We keep labor relations harmonious, and employees may make communications and submit their suggestions on the company's operations through regular labor-management conference.

F. Employee safety and environment management

The Company fulfills the social responsibility and provides a safe working environment to the employees. The Company not only complies with the related regulations of occupational health and safety, but also sets health and safety rules such as prevention of sexual harassment. The Company also pays attention to the following matters.

- Safe working environment
In order to ensure the safety of the working environment, the employee of the Company has to use a key card to access the office, elevator and parking areas. Visitor of the Company should register and be led by the staff into the office. The main entrance of the office is monitored by a security system.
- Regular fire safety inspection
In order to ensure that all fire equipment and sensors are maintained, the Company arranges yearly fire safety inspection. Moreover, the Company also arranges a yearly fire drill.
- Maintaining a hygienic environment
(1)Annual air conditioner maintenance.
(2)Bi-annual checking of carbon dioxide level.

4.5.2 Describe any losses suffered by the company in the most recent 2 fiscal years and up to the annual report publication date due to labor disputes (including any violations of the Labor Standards Act found in labor inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, the substance of the legal violations, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided:

None.

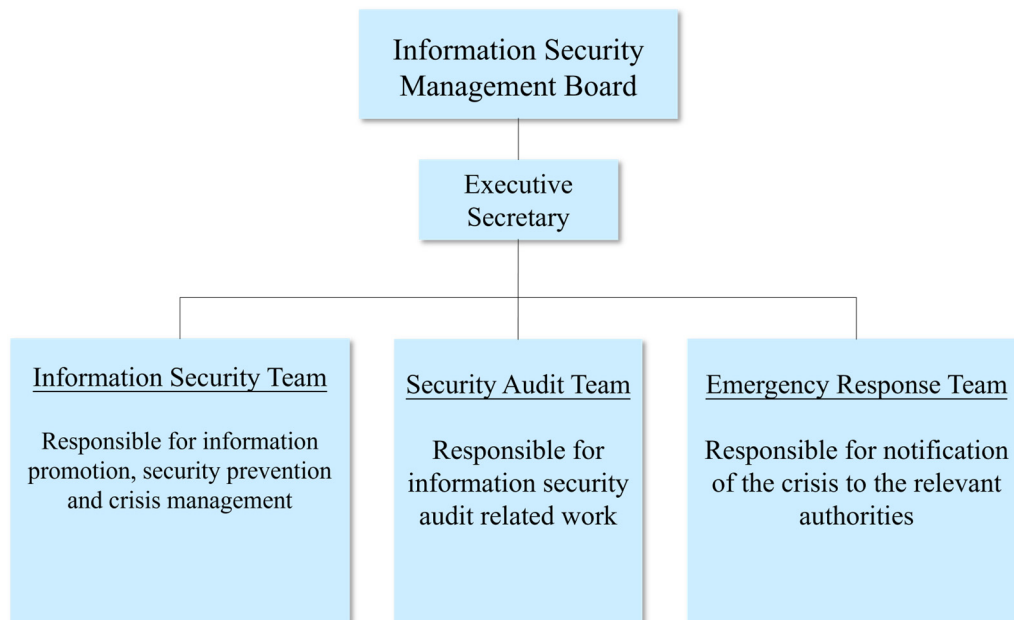
4.6 IT Security Management

4.6.1 Structure, Policy and Resource

A. Information Security and Risk Management Structure

1. Alchip has established "Information Security Management Committee" in 2021, divided into IT Team, Audit Team and Event Report Team, to be accountable for information security and protection related policy compilation, implementation, compliance audit, and risk management. Alchip Information Security Management Committee is responsible for managing enterprise information security, while the VP of Strategic Alliance supervises the overall information security management mechanism and direction.

In order to implement the information security strategy formulated by the committee and ensure internal compliance with security policy and instruction, Information Security Team is responsible for IT security precaution and security event handling. Meanwhile, Security Audit Team is in charge of IT security audit and Emergency Response Team is in charge of event reporting to external parties, such as suppliers.



2. Organizational Structure of Information Security Management Committee

B. Information Security Policy

To effectively implement information security management, Information Security Management teams reviews the applicability of measures once a year based on the feedback from members across all branches. The implementation results of information security measures will be organized into different phases per below and report to Information Security Management Committee regularly.

1. Planning Phase: Focus on information security risk management and establish a comprehensive management system. Create and provide the confidential information security protection service with a high standard that fulfils customers' needs, after considering potential threats from the system, technical and program perspective.
2. Execution Phase: Build multi-layer information security protection measures, continue to introduce innovative information security defense technology, and integrate the information security control mechanism into daily software and hardware maintenance, supplier security management and other operations. The key is to maintain the confidentiality, completeness and availability of our important assets, through systematic monitoring of information security.
3. Audit Phase: Actively monitor the output of information security management measures and quantify the indicators based on the results of the audit. Meanwhile, evaluate the information security maturity through regular analog drills of information security attacks.
4. Action Phase: Ensure supervision and audit on information security are implemented through continuous reviews and goals for improvement. If any employee violates relevant norms, consequences will be decided based on the information security violation processing procedures, and depending on each violation circumstance, might affect individuals' annual performance appraisal result or other necessary legal actions. In addition, regular reviews and improvement on information security measures, training and announcement broadcast will be updated, according to performance indicator and maturity test.

C. Management Strategy

- The operation of the information security management system shall meet the requirements and expectations of internal and external stakeholders, including the requirements of laws and regulations and relevant agreements, and effectively ensure the confidentiality, integrity, availability and legality of important information.
- Information security objectives must be consistent with policies and their applicability must be regularly assessed.
- The roles and privilege of information security must be clearly defined.
- The Company shall implement and continuously improve and improve the various operating specifications set forth in the information security management system.
- Changes to systems or procedures must not affect established information security commitments and agreements.
- Protect information on the Company's business activities from unauthorized modification and ensure its correctness and completeness.
- Establish a cross-departmental information security organization to formulate, promote, implement, and evaluate and improve information security management matters to ensure that the company has an information environment that is suitable for business continuity.
- Implement an information security risk assessment mechanism to improve the effectiveness and timeliness of information security management.
- Implement an internal audit system for information security to ensure the implementation of information security management.
- Conduct information security education and training, promote employees' awareness of information security and strengthen their awareness of relevant responsibilities.
- To set up Topic-Specific Policies in order to continue the corresponding control items or measures.

D. Resources for Information Security Management

- The information security team is equipped with 3 security personnel responsible for security-related work.
- Deployed PC and server antivirus endpoint protection to protect endpoint security.
- The external network firewall device has application identification ability, intrusion prevention and advanced threat prevention mechanisms, to strengthen the defense of external cyberattack.
- Use Identity Services Engine to differentiate the identity of employees and visitors, isolating access paths.
- In addition to basic spam identification, deploy advanced threat learning protection module to strengthen the ability of identifying phishing mail to prevent data theft.
- Vulnerability scanning will be performed once a year to keep track and close security gaps.
- Key application login authentication requires OTP authentication to reduce the risk of breaches login.
- Implement security training for employees to improve their security awareness and capabilities. In addition to new employees' security training, all employees must undergo information security refresher training every year in order to continuously strengthen and enhance employees' security awareness.

4.6.2 Damage and Impact

Alchip often encounters various cyber attacks in its daily operations, including malicious login attempts on emails, phishing emails, and DDoS attacks on the company's website. Thanks to the company's sound protection system, none of these attacks have caused actual damage.

The company issued two major announcements on security incidents on 2024/10/7 and 2025/1/3. Both incidents were caused by DDoS attacks on the company's official website, resulting in slow loading of the website. In response to the above situations, the company activated relevant protection mechanisms immediately after detecting the attacks, quickly restored the website services, and confirmed through further comprehensive

inspections that no data was lost. The incident did not have a significant impact on the company's normal operations.

4.7 Material Contracts

Supply and sales contracts, technical cooperation contracts, engineering/construction contracts, long-term loan contracts, and other contracts that would affect shareholders' equity, where said contracts are either still effective as of the date of the publication of annual report, or expired in the most recent year are listed as follows:

Agreement	Counterparty	Start/end Dates of contracts	Major content	Restrictive clauses
Partner	F Company	One year from March 13, 2009 (automatically extended for one year annually)	F Company appointed Alchip as its "Value Chain Aggregator".	None
Software licensing	G Company	From October 11, 2022 to October 30, 2025	G Company licensed Alchip the right to use Licensed Products	None
Software licensing	G Company	From July 3, 2023 to July 2, 2026	G Company licensed Alchip the right to use Licensed Products	None
Technology licensing	G Company	From October 14, 2022 to October 13, 2025	G Company licensed Alchip the right to use the license of intellectual property	None
Technology licensing	G Company	From April 25, 2023 to April 24, 2026	G Company licensed Alchip the right to use the license of intellectual property	None
Technology licensing	G Company	From September 29, 2023 to September 28, 2026	G Company licensed Alchip the right to use the license of intellectual property	None
Technology licensing	G Company	From October 24, 2024 to October 23, 2027	G Company licensed Alchip the right to use the license of intellectual property	None
Software licensing	H Company	From June 6, 2023 to June 4, 2026	H Company licensed Alchip the right to use Licensed Product.	None
Software licensing	H Company	From January 1, 2024 to July 1, 2026	H Company licensed Alchip the right to use Licensed Product.	None
Software licensing	AH Company	From January 5, 2024 to January 4, 2027	AH Company licensed Alchip the right to use Licensed Product.	None
Design and production	AE Company	From February 26, 2018 to this day.	Alchip provides product R&D services, manufactures, and sells integrated circuit products to AE Company based on the Statement of Work attached with the contract.	None
Design and production	AK Company	From May 29, 2017 to this day.	Alchip provides product R&D services, manufactures, and sells integrated circuit products to AK Company based on the Statement of Work attached with the contract.	None

V. Financial Status, Operating Results, and Risk Management

5.1 Financial Status

Unit: NT\$ thousand

Item	2023	2024	Difference	
			Amount	%
Current Assets	29,416,017	46,183,878	16,767,861	57.00
Property, Plant and Equipment	1,160,441	1,775,456	615,015	53.00
Intangible Assets	413,657	247,930	(165,727)	(40.06)
Other Non-Current Assets	92,775	100,496	7,721	8.32
Total Assets	32,458,201	50,309,355	17,851,154	55.00
Current Liabilities	14,245,636	10,671,689	(3,573,947)	(25.09)
Non-Current Liabilities	178,148	160,820	(17,328)	(9.73)
Other Liabilities	-	-	-	-
Total Liabilities	14,423,784	10,832,509	(3,591,275)	(24.90)
Share Capital	743,187	806,485	63,298	8.52
Capital Surplus	10,419,696	25,350,477	14,930,781	143.29
Retained Earnings	6,124,764	10,752,247	4,627,483	75.55
Other Equity	726,467	2,546,513	1,820,046	250.53
Total Equity	18,034,417	39,476,846	21,442,429	118.90

1. Analysis for changes that exceed 20% and reached NT\$10 million in past the two years:

- (1) Current Assets : Mainly due to increase in cash and time deposit in 2024.
- (2) Property, Plant and Equipment : Mainly due to increase in purchase of machinery equipment in 2024.
- (3) Intangible Assets : Mainly due to decrease in purchase of intellectual property in 2024.
- (4) Current liabilities : Mainly due to decrease in receipt in advance from customer in 2024.
- (5) Capital Surplus : Mainly due to new shares issued through capital increase from GDR and private placement in 2024.
- (6) Retained Earnings : Mainly due to increase in net profit in 2024.

2. The changes had no major impact on Alchip's financial position.

5.2 Operating Results

5.2.1 Financial performance analysis for the previous 2 years

Unit: NT\$ thousand

Item	2023	2024	Difference	
			Amount	%
Operating revenues	30,481,576	51,968,570	21,486,994	70.49
Operating costs	23,687,225	41,767,567	18,080,342	76.33
Gross profit	6,794,351	10,201,003	3,406,652	50.14
Operating expenses	3,033,079	3,704,636	671,557	22.14
Profit from operations	3,761,272	6,496,367	2,735,095	72.72
Non-operating income and expenses	436,392	1,311,780	875,388	200.60
Profit before tax	4,197,664	7,808,147	3,610,483	86.01
Income tax expense	877,148	1,361,607	484,459	55.23
Net profit for the year	3,320,516	6,446,540	3,126,024	94.14
Other comprehensive income(profit after tax),	(19,138)	1,820,046	1,839,184	9,610.12
Total comprehensive income for the year	3,301,378	8,266,586	4,965,208	150.40
Net profit attributable to owners of the Company	3,325,170	6,445,719	3,120,549	93.85
Total comprehensive income attributable to owners of the Company	3,306,032	8,265,765	4,959,733	150.02

1. Analysis for changes that exceed 20% and reached NT\$10 million in the past two years:

- (1) Operating revenue : Mainly due to increase in the revenue of chip production in 2024.
- (2) Operating costs : Mainly due to increase in chip production business as well as increase in production cost in 2024.
- (3) Operating expenses : Mainly due to increase in pay raise in 2024.
- (4) Gross profit, Profit (loss) from operations, Profit before income tax, Net profit 、Net profit attributable to owners of the Company: Mainly due to the increase in operating revenues in 2024.
- (5) Income tax expense : Mainly due to increase in profit before income tax in 2024.
- (6) Other comprehensive income(loss) : Mainly due to exchange differences arising from translation to the presentation currency.

2. The changes had no major impact on Alchip's financial position.

5.2.2 Sales forecast and basis

Looking ahead to 2025, with the contractual completion of an AI accelerator ASIC for a North American customer, overall revenue performance is expected to stabilize. However, demand for NRE services and project development remains strong, driven by ongoing momentum in AI and networking applications.

Our process technologies are advancing from 7nm/5nm to 5nm/3nm nodes. In 2025, we will launch multiple 2nm projects, and we expect our enhanced product portfolio to further improve overall profitability.

5.2.2 Possible financial impacts and response plans

The Company has been able to maintain sound financial structure and rational control of operating costs. They provide the basis for future business growth.

5.3 Analysis of Cash Flow

5.3.1 Cash flow analysis

Unit: NT\$ thousand

Item \ Year	2023	2024	Increase/Decrease	
			Amount	%
Operating activities	9,305,958	3,357,883	(5,948,075)	(63.92)
Investing activities	(5,118,495)	(676,463)	4,442,032	86.78
Financing activities	1,275,667	12,855,040	11,579,373	907.71
Analysis of changes: (1) Operating activities : A decrease in cash generated from operating activities mainly due to decrease in receipt in advance from customer in 2024. (2) Investing activities : A increase in cash used in investing activities mainly due to increase in time deposits ,purchase of machinery equipment and purchase of intellectual property in 2024. (3) Financing activities : A increase in cash generated from financing activities mainly due to capital increase from GDR and private placement in 2024.				

5.3.2 Improvement plans for Cash Shortfall

The Company has ample cash on-hand, improvement plans are not required.

5.3.3 Analysis of cash liquidity for the next year

Unit: NT\$ thousand

Cash balance, beginning of year (1)	Expected annual net cash inflow from operating activities (2)	Expected cash outflow from investing and financing activities(3)	Cash surplus (deficit) (1)+(2)-(3)	Remediation measures against expected cash flow deficits	
				Investment plans	Wealth management
27,044,210	4,917,750	(4,215,135)	27,746,825	None	None
1. Cash liquidity analysis: (1) Operating activities: The 2025 net cash inflow is mainly from net profit before tax. (2) Investing activities: The 2025 net cash outflow is mainly due to purchase of equipment and intellectual property. (3) Financing activities: The 2025 net cash outflow is mainly due to cash dividends payment. 2. Remediation measures against expected cash flow deficit and liquidity analysis: None					

5.4 Major Capital Expenditure and its Effect on Finance and Business operations of the Company

None.

5.5 Investment Policies, Main Reasons for Profits or Losses, Improvement Plans and Investment Plans for the Coming Year

Unit:NT\$ thousand

Item	Investment Profit (Loss) in 2024	Investment Policy	Reasons for the Profits/Losses	Improvement Plan	Investment plan for the coming year
Alchip (HK)	1,016,534	Invest in sub-subsidiaries in China	Investment profit from equity method investment	Not applicable	None
Alchip (US)	(36,226)	Provide products technical support and consulting service	Maintained a stable operating status	Not applicable	None
Alchip (JP)	13,051	Provide products technical support and consulting service	Maintained a stable operating status	Not applicable	None
Alchip (TW)	(37,902)	Provide ASIC and SoC services	Maintained a stable operating status	Not applicable	None
Alchip BVI	6,883	General investment	Maintained a stable operating status	Not applicable	None
Alchip Malaysia	(9,215)	Provide R&D support	Maintained a stable operating status	Not applicable	None
Alchip Vietnam	1,668	Provide R&D support	Maintained a stable operating status	Not applicable	None
Alchip (SH)	782,240	Provide R&D support	Maintained a stable operating status	Not applicable	None
Alchip (Wuxi)	72,707	Provide R&D support	Maintained a stable operating status	Not applicable	None
Alchip (Hefei)	58,100	Provide R&D support	Maintained a stable operating status	Not applicable	None
Alchip (Jinan)	78,450	Provide R&D support	Maintained a stable	Not applicable	None

			operating status		
Alchip (Guangzhou)	23,585	Provide R&D support	Maintained a stable operating status	Not applicable	None
Alchip (Chongqing)	151,177	Provide R&D support	Maintained a stable operating status	Not applicable	None
Chiptopia (Shanghai)	1,525	Software development and service	Maintained a stable operating status	Not applicable	None

5.6 Risk Management

5.6.1 Risks associated with interest rate fluctuation, foreign exchange volatility and inflation

A. Interest rate

The Company's interest income was NT\$1,202,671 thousand and interest expenses was NT\$8,980 thousand in 2024, accounted for 2.3%, 18.6%, 0.02% and 0.14% of annual operating revenue and profit(loss).

The Company's interest rate risk is mainly from cash position and lease liabilities. Changes in interest rate can affect the interest income accrued from company's cash, cash equivalents, financial assets at amortized cost and the interest expenses accrued from lease liabilities. The interest income of cash, cash equivalents, financial assets at amortized cost at a floating rate may reduce as a result of the decline in the interest rate, the lease liabilities is fixed-rate, as such, changes in interest rate would not affect the carrying amount. The interest rate sensitivity analysis is performed on exposed to interest rate risk as of the end of the reporting period. At the reporting date, an increase/decrease of 25 basis points of interest rate could cause the profit for the years ended December 31, 2024 and 2023 to increase/decrease by NT\$51,542 thousand and NT\$23,496 thousand, respectively.

B. Foreign exchange rate

The Group has the U.S. Dollar 、Japanese Yen 、Malaysian ringgit and Vietnamese dong as its functional currency, as the Group's sales and purchases were mainly settled in U.S. Dollar. It also holds other currencies to meet subsidiaries' working capital requirements. The Company's foreign exchange losses were NT\$(18,598) thousand in 2024 and the foreign exchange gains were NT\$24,516 thousand in 2023, accounted for 0.04% and 0.08% of annual operating revenues, respectively, which have little impact on the Company's operations and profits.

The Group currently has no material risk of exchange rate fluctuations. However, it is anticipated that Cayman Holdings Company applying for listing on the Taiwan Stock Exchange may probably acquire NTD funding from domestic fundraising that will be required to convert it to USD for use in the future, the risk of changes in USD to NTD exchange rates in which may be incurred. Response measures will be possibly adopted by the financial department of the Company as follows:

- (1) Financial personnel maintain appropriate foreign exchange positions at the right time based on future foreign exchange rate trends required for operations of the Group's subsidiaries, and reduce the impact of exchange rate fluctuation on the Company's profit ability.

- (2) Keep close contact with main banks and monitor changes in the foreign exchange market to provide relevant heads of divisions and branches with a full grasp of the trend in exchange rate fluctuation to make timely adjustments in response to contingent circumstances of change in the currency of collection and payment.
- (3) Adopt the natural write-off principle (namely, the whole overseas and domestic sales are quoted in Dollars) to external currency risks, and apply methods such as forward exchange agreements and taking foreign currency debts at the right as needed to reduce the impact of exchange rate fluctuation on the company's profit or loss.

C. Inflation/deflation

Prices of raw materials required by the Company remain stable. The Company's future profit or loss is not much affected by the short-term inflation.

5.6.2 Risks associated with high-risk, high-leveraged investments, lending, endorsements, and guarantees for other parties, and financial derivatives transactions

The Company's conservative financial management, and does not engaged in investments that are either high-risk or high-leveraged and derivatives transactions. Any lending or endorsement guarantees will be conducted in accordance with relevant requirements prescribed in the Company's "Guideline for Acquisition and Disposal of Assets", "The Guideline for Loaning Funds to Others", and "The Guideline For Endorsement and Guaranty". No loss has occurred by now.

5.6.3 Future research & development plans and expected spending

In response to future growth, the Company will continuously invest R&D resources in development of high-end System on Chip (SoC) for advanced processes (16, 12 and 7nm) and R&D in design for customized circuit Silicon Intellectual Property (IP). Major R&D items include: Low Power Design Flow, Clocking Optimization technique, Signal Integrity management technology, design and development of customized circuit Silicon Intellectual Property, such as design and development of high-speed Mobile Industry Processor Interface (MIPI) circuit, performance enhancement of high-end microprocessor and peripheral Silicon Intellectual Property, high-end multi-chip packaging design technology, and so on.

In 2024 and 2023, the Company invested NT\$2,141,874 thousand and NT\$1,546,585 thousand in R&D, respectively, both reached hundred million NT dollars. It will continue to invest R&D resources in the future depending on the product development plan. However, if the Company does not continue to invest R&D in the future, products development and relevant R&D plans will be limited. Moreover, the Company may be unable to meet customer needs or market trends and then even will loss orders. As a result, it will have a material adverse effect on the company's operations.

5.6.4 Risk associated with changes in foreign and domestic policy and regulatory

The country of registration place of the Company is Cayman Island whose principal economic activity is financial services with open economy, no foreign exchange controls, and stable political and economic environment. The major places of operation of the Company are Taiwan and China with businesses performed in accordance with relevant laws and regulations of competent authorities at major places of operation.

5.6.5 New technology change (including the risk of IT security) and industry change impact on the Company's finance and business operations

The Company has always emphasized the improvement of R&D capabilities. Currently the chips designed and produced by it are mostly products in 16nm and below processes. No material adverse effect of technological and industry changes on the company's finance and business operations in medium- and long-term is expected.

A. Information Technology Security Risks and Management Measures

Alchip has established comprehensive network and computer related information security protection measures, but it cannot guarantee that our systems that control or maintain the company's manufacturing, operation, accounting and other important functions can avoid cyberattacks from other third parties. These attacks once intrude illegally into the internal network system of the Company might carry out behaviors that results in damages of our operation and goodwill. When under serious cyberattack, Alchip's systems may lose important information of the company. Through continuous review and evaluation on information security regulations and procedures, Alchip ensures the effectiveness of the measures in its best efforts. However, it cannot guarantee that the company will not be affected by the risks and evolving attacks from the rapidly changing information security area. Cyberattacks may also attempt to steal the company's commercial confidential and other confidential information, such as the proprietary information of customers or other stakeholders, or personal information of Alchip's employees.

Malicious hackers can also try to insert computer virus, malware, or ransomware into the network system of Alchip to achieve their ill intentions, including interfering with our operation, seeking profits from the Company, obtaining control of the computer system, or prying into confidential information. These attacks may cause the company to compensate the customer for the loss due to the delay or interruption of the production or bear costs to implement improvement measures to further strengthen the company's network security system. It may also make Alchip bear major legal liabilities or regulatory investigations caused by the leakage of confidential information of its employees, customers or third-party manufacturers to which the Company has confidentiality obligations.

In order to prevent and reduce the damage caused by such attacks, Alchip implements relevant improvement measures and continuously updates them. First, conduct a weekly anti-virus scan to prevent machines containing malicious software from entering the company. Second, strengthen network firewall and network control to prevent computer virus from spreading across internal network. Third, implement endpoint anti-virus measures according to computer type. Fourth, introduce advanced solutions to detect and deal with malware and strengthen protection for employees' computers. Fifth, develop cloud application security policies and introduce new technologies to strengthen data protection. Sixth, strengthen phishing email detection. Seventh, establish an integrated automatic information security maintenance platform. Lastly, carry out employee vigilance test and entrust external experts to carry out information security evaluation regularly. With all these measures above, Alchip hopes to lower the risks of cyberattack to the minimum.

In addition, the nature of our business requires Alchip to share highly sensitive and confidential information to the Company's worldwide third-party manufacturing partners to fulfill their service for Alchip. Although the service contract requires them to abide by the confidentiality and/or network security requirement, there is no guarantee that each partner will strictly abide by these obligations. The internal network systems and external cloud computing networks (such as servers) maintained by our partners and/or their contractors will also be at risk of cyberattacks. If Alchip or its partners fail to solve the technical problems caused by these cyberattacks in time, or unable to ensure the data completeness and availability of Alchip (including its customers or other third-party manufacturers) or take back control of the system of the company or its partners, it may seriously damage the commitment that Alchip promised to our customers and other related

parties. The company's operating results, financial status, prospects and reputation may also be adversely affected.

5.6.6 The impact of changes in corporate image on company's crisis management

None.

5.6.7 Expected benefits and risks associated with mergers and acquisitions

Not applicable.

5.6.8 Expected benefits and risks associated with facility expansion

Not applicable.

5.6.9 Risks associated with concentration of purchase and sales

A. Concentration of purchasing

The Company's main raw material is wafer, and mainly purchased from Taiwan Semiconductor Manufacturing Company Limited (hereinafter referred to as "TSMC"). There has indeed been a concentration phenomenon in purchasing operations. Since the Company does not sign a long-term supply contract with the wafer foundry, once the wafer foundry does not give adequate support capacity, risks of shortage or interruptions may occur in the Company. However, the Company develops relationships of strategic alliance and business bond with suppliers for wafer capacity, and provides timely the latest application trends in products on the market and estimated sales of products in order for wafer foundries to support the capacity requirements. Meanwhile, it obtains TSMC's capacity plan for more than half a year to meet the demand for material preparation of production. In addition, the Company has built the second source of supply to increase the flexibility of source of supply and avoid any circumstance such as shortage or interruptions of supply.

B. Concentration of Sales

In 2024, our company's two major sales customers accounted for 60.16% and 21.18% of total sales, respectively. The Company constantly endeavored to develop new customers and diversify customer base. The benefit thereof is expected to be revealed in 2025.

5.6.10 Impact and risk associated with large share transfers or changes in shareholdings of Directors, or shareholders who hold more than 10% of the Company's shares, and countermeasures

There is no significant impact and risk on share transfers or changes in shareholdings of directors, supervisors, or shareholders who hold more than 10% of the Company's shares up to the date of publication of the annual report.

5.6.11 Impact and risk associated with changes in management rights, and countermeasures

No such case during the most recent year and the current year up to the date of publication of the annual report.

5.6.12 Litigation or non-litigation matters

If the outcome of a concluded or pending litigious, non-litigious or administrative litigation event involving the company, director, general manager, de facto responsible person, major shareholders holding more than 10% equity interest, or subsidiary of the company might have material impact on shareholders' equity or the prices of the company's securities, disclose the facts of dispute, amount of claim, lawsuit start date, main parties concerned and current status as of the date of the publication of annual report.

- A. For litigious or non-litigious proceedings or administrative disputes involving the company with respect to which a judgment has become final and unappealable in the most recent two years or in the current year up to the date of the publication of the annual report, and for any such matter still pending. If the outcome could materially impact shareholders' equity or the prices of the company's securities, the annual report shall list the facts of the dispute, amount of money at stake in the dispute, the date of commencement of proceedings, the main parties to the dispute, and current status of the dispute's handling: None.**
- B. For litigious or non-litigious proceedings or administrative disputes involving a company director, the general manager, a de facto responsible person, a 10 percent or greater major shareholder, or a controlled company, if a judgment has become final and unappealable in the most recent two years and the current year up to the date of the publication of the annual report, or if such a matter is still pending, if the outcome could materially impact shareholders' equity or the prices of the company's securities, the annual report shall list the facts of the dispute, amount of money at stake in the dispute, the date of commencement of proceedings, the main parties to the dispute, and current status of the dispute's handling: None.**
- C. Where any of the situations set out under Article 157 of the Securities and Exchange Act has occurred with respect to a company director, managerial officer, or 10 percent or greater major shareholder within the preceding two years, or in the current year up to the date of publication of the annual report, the prospectus shall indicate that fact and describe the current status of the company's handling of the matter: None.**

5.6.13 Other Material Risks

None.

5.7 Other Material Matters

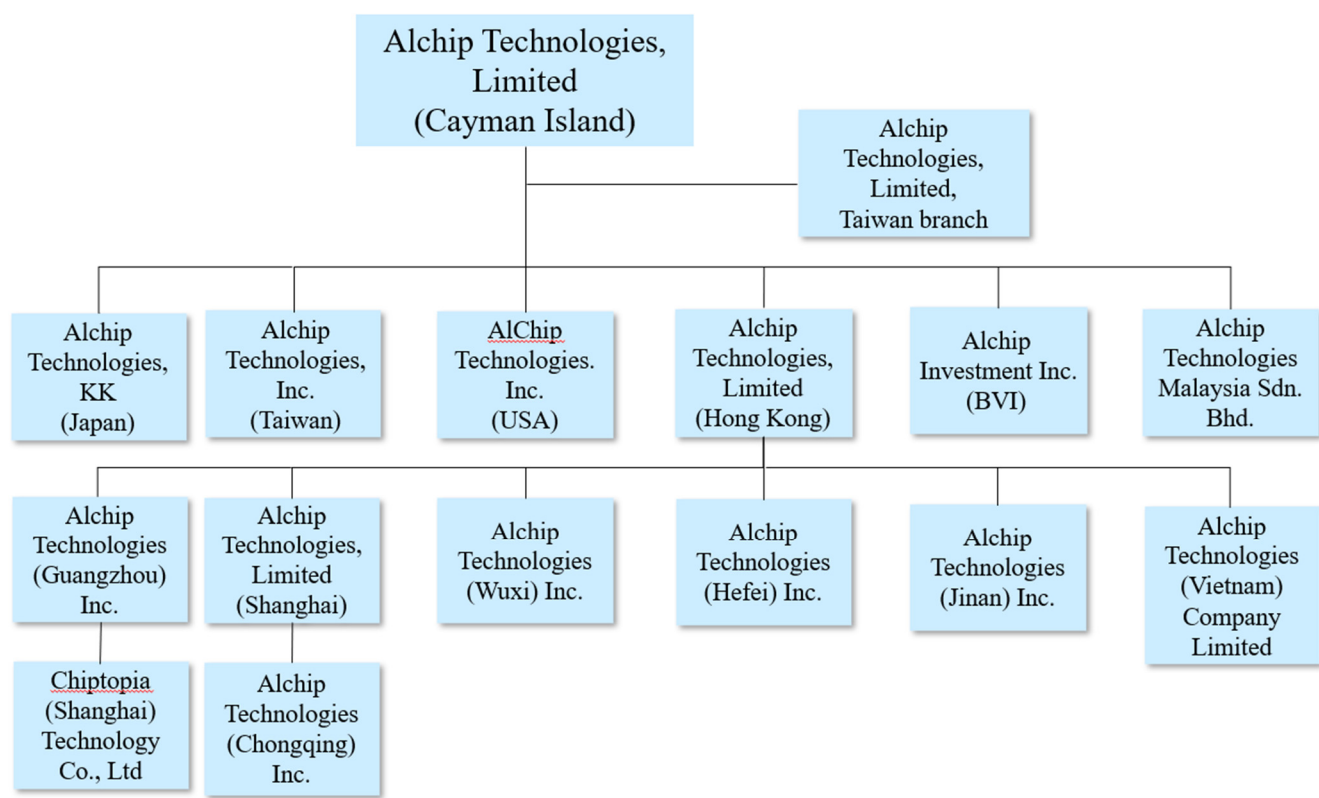
None.

VI. Special Disclosure

6.1 Information Related to the Company's Affiliated Companies

6.1.1 Consolidated Business Reports

6.1.1.1 Affiliated companies chart



6.1.1.2 Affiliated Companies

December 31,2024;Unit: thousand

Company Name	Major Businesses	Date of Incorporation	Place of Registration	Capital Stock
Alchip HongKong	General investment	2002	Hong Kong	US\$19,129
Alchip US	Provide products technical support and consulting service	2003	USA	US\$3,910
Alchip Japan	Provide products technical support and consulting service	2004	Japan	YEN100,000
Alchip Taiwan	ASIC and SoC services	2005	Taiwan	NT\$100
Alchip BVI	General investment	2015	BVI	US\$41,836
Alchip Shanghai	R&D, ASIC and SoC service	2002	Mainland China	US\$12,800
Alchip Wuxi	R&D, ASIC and SoC service	2012	Mainland China	US\$2,000
Alchip Hefei	R&D, ASIC and SoC service	2016	Mainland China	US\$500
Alchip Jinan	R&D, ASIC and SoC service	2018	Mainland China	US\$784
Alchip Guangzhou	R&D, ASIC and SoC service	2020	Mainland China	US\$1,600
Alchip Chongqing	R&D, ASIC and SoC service	2021	Mainland China	RMB5,000
Chiptopia Shanghai	Software development, ASIC and SoC service	2021	Mainland China	RMB10,000
Alchip Malaysia	R&D, ASIC and SoC service	2023	Malaysia	US\$1,000
Alchip Vietnam	R&D, ASIC and SoC service	2024	Vietnam	US\$1,000

6.1.1.3 For companies presumed to have a relationship of control and subordination and information on their shareholders in common: None.

6.1.1.4 Business Scope of the Company and its Affiliated Companies: The Company and its affiliates all engage in professional Application Specific IC (ASIC) and System-on-Chip (SoC) design, manufacturing and production.

6.1.1.5 List of Directors, Supervisors, and Presidents of Company's Affiliated Companies:

December 31, 2024

Company Name	Title	Representative	Number of Shares	% of holding
Alchip HongKong	Chairman	Kinying Kwan	Alchip Technologies (Cayman) holds 14,165,970 thousand shares	100%
	Director	Kinying Kwan		
Alchip US	Director	Johnny Shyang- Lin Shen	Alchip Technologies (Cayman) holds 391,000 thousand shares	100%
	GM	Dave Hwang		
Alchip Japan	Chairman	Hiroyuki Furuzono	Alchip Technologies (Cayman) holds 1 thousand shares	100%
	GM	Hiroyuki Furuzono		
	Director	Hiroyuki Furuzono		
	Director	Kozo Fujita		
	Director	Kinying Kwan		
	Supervisor	Junichiro Hosaka		
Alchip Taiwan	Chairman	Kinying Kwan	Alchip Technologies (Cayman) holds 10 thousand shares	100%
	CEO	Johnny Shyang-Lin Shen		
	Director	Kinying Kwan		
Alchip BVI	Director	Daniel Wang	Alchip Technologies (Cayman) holds 50 thousand shares	100%
	Director	Nancy Chan		
Alchip Shanghai	Chairman	Andy Lin	Alchip Technologies (Cayman) holds 100% shareholder rights through Alchip HongKong	100%
	GM	Andy Lin		
Alchip Wuxi	Chairman	Andy Lin	Alchip Technologies (Cayman) holds 100% shareholder rights through Alchip HongKong	100%
	GM	Andy Lin		
	Director	Daniel Wang		
	Director	Leo Cheng		
	Supervisor	Johnny Shyang- Lin Shen		
Alchip Hefei	Chairman	Andy Lin	Alchip Technologies (Cayman) holds 100% shareholder rights through Alchip HongKong	100%
	GM	Andy Lin		
	Director	Daniel Wang		
	Director	Leo Cheng		
	Supervisor	Johnny Shyang- Lin Shen		
Alchip Jinan	Chairman	Andy Lin	Alchip Technologies (Cayman) holds 100% shareholder rights through Alchip HongKong	100%
	GM	Andy Lin		
	Director	Daniel Wang		
	Director	Leo Cheng		
	Supervisor	Johnny Shyang- Lin Shen		
Alchip Guangzhou	Chairman	Andy Lin	Alchip Technologies (Cayman) holds 100% shareholder rights through Alchip HongKong	100%
	GM	Andy Lin		
	Director	Daniel Wang		
	Director	Leo Cheng		
	Supervisor	Johnny Shyang- Lin Shen		
Alchip Chongqing	Chairman	Andy Lin	Alchip Technologies (Cayman) holds 100% shareholder rights through Alchip Shanghai	100%
	GM	Andy Lin		
	Director	Johnny Shyang- Lin Shen		
	Director	Leo Cheng		
	Supervisor	James Huang		
Chiptopia Shanghai	Chairman	Yun-Tao Liao		65%
	GM	Yun-Tao Liao		

	Director	Ning Gui	Alchip Technologies (Cayman) holds 65% shareholder rights through Alchip Guangzhou	
	Director	Andy Lin		
	Director	Daniel Wang		
	Director	Leo Cheng		
	Supervisor	James Huang		
Alchip Malaysia	Director	Daniel Wang	Alchip Technologies (Cayman) holds 100% shareholder rights	100%
	Director	Leo Cheng		
	Director	Peter Teng		
	Director	CHAI SIEW LING		
Alchip Vietnam	Chairman	Daniel Wang	Alchip Technologies (Cayman) holds 100% shareholder rights through Alchip HongKong	100%
	Director	Leo Cheng		
	Director	Peter Teng		

6.1.1.6 Operation Highlights of Company's Affiliated Companies

December 31, 2024; Unit: NT\$ thousand

Company	Assets	Liabilities	Net Worth	Revenue	Operating Profit(Loss)	Net Profit (Loss)	EPS (NT\$)
Alchip Hong Kong	2,829,572	171	2,829,401	-	(255)	1,016,534	-
Alchip US	72,022	35,363	36,659	166,612	(36,196)	(36,226)	-
Alchip Japan	193,737	77,696	116,041	550,464	9,308	13,051	-
Alchip Taiwan	432,131	21,109	411,022	-	(56,716)	(37,902)	-
Alchip BVI	1,479,284	-	1,479,284	-	(3,710)	6,883	-
Alchip Shanghai	2,097,787	315,569	1,782,218	2,217,629	648,444	782,240	-
Alchip Wuxi	414,190	72,982	341,208	294,739	73,955	72,707	-
Alchip Hefei	310,265	50,088	260,177	176,095	32,283	58,100	-
Alchip Jinan	301,190	89,680	211,510	291,531	71,925	78,450	-
Alchip Guangzhou	333,048	133,744	199,304	200,270	24,686	23,585	-
Alchip Chongqing	410,524	219,697	190,827	452,143	127,473	151,177	-
Chiptopia Shanghai	71,264	7,428	63,836	18,190	4,321	2,347	-
Alchip Malaysia	23,594	220	23,374	-	(9,342)	(9,215)	-
Alchip Vietnam	32,410	6	32,404	-	(350)	1,668	-

6.1.2 Consolidated financial statements of subsidiaries

It is same as the consolidated financial statements of the Company. Please refer to our company's consolidated financial statements on the Market Observation Post System (MOPS).

Link to MOPS: <https://mops.twse.com.tw/mops/#/web/home>

6.1.3 Reports on Subsidiaries

Not applicable.

6.2 Private Placement Securities

Item	2 nd Prive Placement of 2023 Issue Date: May 16, 2024
Type of private placement securities	Common Shares
Date and Amount approved by the	Date of shareholders' meeting: June 9, 2023

shareholders’ meeting	Issue no more than 5,000,000 common shares in one or two times within one year from the date of the resolution reached in the shareholders meeting.					
Pricing basis of private placement and its reasonableness	(1) The pricing date of private placement was May14, 2024. The privately placed common shares price shall be no less than 80 percent of the reference price. The reference price shall be the higher of the following two calculations: A. The average closing price of the common shares from either 1, 3, or 5 business days before the pricing date, minus dividends adjustment, plus price discount adjustment due to capital reduction is NTD \$2,520, NTD \$2,565, and NTD \$2,645 respectively. NTD \$2,520 is selected. B. The average closing price of the common shares for a period of thirty business days before the pricing date, minus dividends adjustment, plus price discount adjustment due to capital reduction is NTD \$2,978. (2) The reference price is NTD \$2,978 which is highest of the above two calculation. In comprehensive consideration, NTD2,382 is set as actual price which is 80 percent of reference price and not lower than the percentage resolved by the shareholders' meeting.					
Method for selecting specific investor	In compliance with Article 43-6 of the Securities and Exchange Act and Financial Supervisory Commission, Execution Yuan Letter (91) Tai-Cai-Zheng-Yi No. 0910003455, dated June 13, 2002; and only strategic investor is targeted.					
Reason and necessity of conducting private placement	Considering the capital market status, costs to raise capital, effectiveness, feasibility of private placement and the business relationship between the Company and the investor, a capital increase through private placement is more favorable rather than public offering.					
Date of payment collection	May 16, 2024					
Information on Counterparties	Name of investor	Qualification	Number of shares subscribed	Relationship with the Company	Participation in the Company’s operation	
	Amazon.com, Inc.	Article 43-6 of the Securities and Exchange Act	224,537	None	None	
Actual subscription price	NT\$2,382 per share					
Difference between actual subscription price and reference price	The actual subscription price is NT\$2,382, which is 80% of the reference price of NT\$2,978					
Impacts on shareholders’ equity	The privately placed common shares is 0.28% to capital shares. There is no significant impact on shareholders’ equity.					
Fund utilization and status of implementation	The private placement was completed on May 16, 2024. The fund from private placement NT\$534,847,134 is used for supporting working capital. The plan is 100% executed in Q2, 2024					

Private placement benefits	It is expected to support working capital for the Company's long-term operation
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Item	1st Prive Placement of 2024 Issue Date: November 15, 2024				
Type of private placement securities	Common Shares				
Date and Amount approved by the shareholders' meeting	Date of shareholders' meeting: May 30, 2024 Issue no more than 1,000,000 common shares in one or no more than three times within one year from the date of the resolution reached in the shareholders meeting.				
Pricing basis of private placement and its reasonableness	(1) The pricing date of private placement was November 1, 2024. The privately placed common shares price shall be no less than 80 percent of the reference price. The reference price shall be the higher of the following two calculations: A. The average closing price of the common shares from either 1, 3, or 5 business days before the pricing date, minus dividends adjustment, plus price discount adjustment due to capital reduction is NTD \$2,040, NTD \$1,945, and NTD \$1,939 respectively. NTD \$1,939 is selected. B. The average closing price of the common shares for a period of thirty business days before the pricing date, minus dividends adjustment, plus price discount adjustment due to capital reduction is NTD \$2,034. (2) The reference price is NTD \$2,034 which is highest of the above two calculation. In comprehensive consideration, NTD1,627 is set as actual price which is 80 percent of reference price and not lower than the percentage resolved by the shareholders' meeting.				
Method for selecting specific investor	In compliance with Article 43-6 of the Securities and Exchange Act and Financial Supervisory Commission, Execution Yuan Letter (91) Tai-Cai-Zheng-Yi No. 0910003455, dated June 13, 2002; and only strategic investor is targeted.				
Reason and necessity of conducting private placement	Considering the capital market status, issuance cost, effectiveness and feasibility of raising funds through private placement, and the restriction that privately placed common shares cannot be freely transferred within three years, this approach will ensure and strengthen the long-term partnership with the strategic partners. Therefore, a capital increase through private placement is more favorable rather than public offering.				
Date of payment collection	November 14, 2024				
Information on Counterparties	Name of investor	Qualification	Number of shares subscribed	Relationship with the Company	Participation in the Company's operation
	MediaTek Capital Co.	Article 43-6 of the Securities and Exchange Act	450,000	None	None

	ACPF B Limited	Article 43-6 of the Securities and Exchange Act	150,000	Non related-party, but the company owns 1.93% equity shares in the Counterparty's parent company, Achi Capital Fund Partners LP	None
Actual subscription price	NT\$1,627 per share				
Difference between actual subscription price and reference price	The actual subscription price is NT\$1,627, which is 80% of the reference price of NT\$2,034				
Impacts on shareholders' equity	The privately placed common shares is 0.75% to capital shares. There is no significant impact on shareholders' equity.				
Fund utilization and status of implementation	The private placement was completed on November 15, 2024. The fund from private placement NT\$976,200,000 is used for supporting working capital. The plan is 100% executed in Q4, 2024				
Private placement benefits	It is expected to support working capital for the Company's long-term operation				

6.3 Other Necessary Supplements

None.

6.4 Major Difference Between the Company's Articles of Association and the Regulations on the Protection of Shareholders' Equity of Taiwan

Matters of material significance on the protection of shareholders' rights and interests	Applicable laws and regulations of "Company Act" or "Securities and Exchange Act"	Regulations relating to the laws of the foreign issuer's country of registration place	Provisions in the Company's Articles of Association and reasons for the discrepancy
I. Formation and change of equity capital of a company 1. A company shall not cancel its shares, unless a resolution on capital reduction has been adopted by its shareholders' meeting; and capital reduction shall be effected based on the percentage of shareholding of the shareholders pro rata. 2. A company reducing its capital may return share prices (or the capital stock) to shareholders by properties other than cash; the returned property and the amount of such substitutive capital contribution shall require a prior approval of the shareholders' meeting and obtain consents from the shareholders who receive such property. 3. The Board of Directors shall first have the value of such property and the amount of such substitutive capital contribution set forth in the preceding Paragraph audited and certified by a Certified Public Accountant of the Republic of China before the shareholders' meeting.	Article 168 of the Company Act	1. The Company may, pursuant to Article 14 of the Company Law of Cayman Islands, reduce its capital previously issued only after a Special Resolution adopted by the shareholders' meeting and confirmed by the court of the Cayman Islands. 2. Except as required by Article 14 of the Company Law of Cayman Islands, the Company's capital previously issued can be cancelled only when they are purchased, returned, or redeemed by the Company in accordance with Article 37 or Article 37B of the Company Law of Cayman Islands. 3. Subject to Article 37 of the Company Law of Cayman Islands, the Company may purchase its own shares on such terms and in such manners as prescribed in the company's Articles of Association or resolved by the shareholders' meeting. Except as required by Article 37 of the Company Law of Cayman Islands, the following are not prescribed in the Company Law of Cayman Islands: (1) repurchase shall be effected based on the	There's a slight difference in the Article 10.7 of the company's Articles of Association and the matters of material significance on the protection of shareholders' rights and interests as stated left. Under the Company Law of Cayman Islands, the Company may reduce shares previously issued only after a Special Resolution adopted by the shareholders' meeting and confirmed by the court of the Cayman Islands. In view of this, as the procedure prescribed in Article 14.1 and Article 10.7 of the company's Articles of Association, the Company may reduce its capital through the purchase of shares. Reasons for such difference are due to the requirements in the Company Law of Cayman Islands. However, the company's Articles of Association does not set limits on the procedure for capital reduction. Therefore, such differences should not have a material adverse effect on the Company's shareholders' rights and interests.

Matters of material significance on the protection of shareholders' rights and interests	Applicable laws and regulations of "Company Act" or "Securities and Exchange Act"	Regulations relating to the laws of the foreign issuer's country of registration place	Provisions in the Company's Articles of Association and reasons for the discrepancy
		percentage of shareholding of the shareholders pro rata, (2) return share prices (or the capital stock) to shareholders by properties other than cash shall require a prior approval, or (3) shall have the value of property returned assessed; however, it may be prescribed in the company's Articles of Association.	
1. Procedures for the Company to enter into a stock option agreement with its employees or issue employee stock options. 2. The stock option obtained by any employee of the issuing company shall be non-assignment, except to the heir(s) of the said employee.	Article 167-2 of the Company Act	There is no particular regulation in the Company Law of Cayman Islands for employee stock option agreement or procedures of employee stock options issuance. Issuance of employee stock options and whether the options can be assigned should be prescribed in the employees' stock option agreement or stock option plan.	Although there have been amendments to Articles 11.1 to 11.4 of the company's Articles of Association based on the matters of material significance on the protection of shareholders' rights and interests as stated left, any restriction on assignment of employee stock options should be prescribed in the employees' stock option agreement or stock option plan in accordance with the Company Law of Cayman Islands. Such difference should not have a material adverse effect on the Company's shareholders' rights and interests.
II. Procedure for convening a shareholders' meeting or the method of resolutions			
1. A regular meeting of shareholders shall be held at least once every year and convened within six months after close of each fiscal year. A shareholders meeting shall be convened by the Board of Directors. 2. A company may explicitly provide for in its Articles of Incorporation that its shareholders' meeting can be held by means of visual	1. Article 170 of the Company Act 2. Article 172-1 of the Company Act 3. Article 172-2 of the Company Act 4. Paragraph 1 & 2, Article 173 of the Company Act 5. Article 172 of the Company Act, Article 26-1 & 43-6 of the Securities and Exchange Act 6. Article 173-1 of the Company Act	1. (a) Except for an exempted company, the shareholders' meeting shall be held by each company at least once every year as set forth in Article 58 of the Company Law of Cayman Islands. (b) An exempted company is not mandatorily required to convene the regular meeting of shareholders	For a foreign issuer being an exempted company under the Company Law of Cayman Islands, there is no need to hold an annual shareholders' meeting every year in accordance with the Company Law of the Cayman Islands provided that "The Company shall hold a general meeting as its annual general meeting within six months following the end of each fiscal year, and shall specify the

Matters of material significance on the protection of shareholders' rights and interests	Applicable laws and regulations of "Company Act" or "Securities and Exchange Act"	Regulations relating to the laws of the foreign issuer's country of registration place	Provisions in the Company's Articles of Association and reasons for the discrepancy
communication network or other methods promulgated by the central competent authority. Under the circumstances of calamities, incidents, or force majeure, the central competent authority may promulgate a ruling that authorizes a company, which has no above provision in its Articles of Incorporation, within a certain period of time can hold its shareholders' meeting by means of visual communication network or other promulgated methods. 3. In case a shareholders' meeting is proceeded via visual communication network, the shareholders taking part in such a visual communication meeting shall be deemed to have attended the meeting in person. 4. The shareholders' meeting held by means of visual communication network shall be subject to prescriptions provided for by the competent authority in charge of securities affairs, including the prerequisites, procedures, and other compliance matters. 5. A physical shareholders' meeting shall be convened within the territory of the Republic of China. Where a physical shareholders' meeting is to be convened outside		by the Company Law of Cayman Islands. The Company may include the number of shareholders' meetings required to be convened by the company every year in its Articles of Association. 2. The shareholders' meeting of an exempted company is not restricted to be convened at a specific place by the Company Law of Cayman Islands; however, it may be prescribed in the company's Articles of Association. 3. The shareholders' meeting convened by shareholder(s) or shareholders' proposal right is not required by the Company Law of Cayman Islands; however, the relevant procedures may be prescribed in the Articles of Association. 4. The contents of the shareholders' meeting notice is not required by the Company Law of Cayman Islands; however, it may be prescribed in the Company's Articles of Association. 5. The detail of the convention of shareholders' meetings is not required by the Company Law of Cayman Islands; however, the relevant procedures may be prescribed in the Articles of Association.	meeting as such in the notices calling it. At these meetings, the report of the Directors (if any) shall be presented." as prescribed in Article 16.2 of the Company's Articles of Association. Other matters are prescribed respectively in Articles 16.2, 16.3, 16.4, 18.9, 16.5 to 16.8, and 17.5 of the company's Articles of Association. Per Letter Tai-Zheng-Shang-Zi No. 0991701319 filed on April 13, 2010 by the TWSE, "Explanation 2 (3): To the extent that the laws of the place of registration are not contradicted, a foreign issuer may remove the part of "obtaining an approval from the competent authority" from the clause on the right of minority shareholders to call a special shareholders' meeting in the articles of association." Therefore, subject to Article 16.8 of the company's Articles of Association, "If the board of Directors do not within fifteen days from the date of the deposit of the requisition dispatch the notice of an extraordinary general meeting, the requisitionists may themselves convene an extraordinary general meeting in accordance with the Applicable Public Company Rules." Such difference should not have a material adverse effect on the

Matters of material significance on the protection of shareholders' rights and interests	Applicable laws and regulations of "Company Act" or "Securities and Exchange Act"	Regulations relating to the laws of the foreign issuer's country of registration place	Provisions in the Company's Articles of Association and reasons for the discrepancy
the territory of the Republic of China, the Company shall apply for the approval of TWSE within two days after the Board resolution or obtaining the approval of the competent authority to convene the meeting by the shareholder(s). 6. Shareholders holding 1% or more of the total issued shares may present to the foreign issuer a proposal at a shareholders' meeting in writing or electronically. The foreign issuer shall accept such proposals submitted by shareholders unless (i) the proposal involves matters which cannot be resolved at a shareholders' meeting (ii) the number of shares held by the shareholder is less than 1% of the total issued shares, (iii) the proposal was submitted not within the announced accepted period of time, or (iv) the proposal exceed 300 words or includes more than one proposal. For proposal urging the foreign issuer to promote public interests or fulfil its social responsibility, the board shall accept such proposal. 7. Any or a plural number of shareholder(s) of a company who has (have) continuously held 3% or more of the total number of outstanding shares for a period of one year or a longer time may, by			Company's shareholders' rights and interests.

Matters of material significance on the protection of shareholders' rights and interests	Applicable laws and regulations of "Company Act" or "Securities and Exchange Act"	Regulations relating to the laws of the foreign issuer's country of registration place	Provisions in the Company's Articles of Association and reasons for the discrepancy
filing a written proposal setting forth therein the subjects for discussion and the reasons, request the Board of Directors to call a special meeting of shareholders. If the Board of Directors fails to give a notice for convening a special meeting of shareholders within 15 days after the filing of the request, the proposing shareholder(s) may, after obtaining an approval from the competent authority, convene a special meeting of shareholders on his/their own. 8. Shareholders continuously holding no less than 50% of the total issued shares for three months or longer are eligible to convene a special general meeting. The calculation of the holding period and holding number of shares shall be based on the holding at the time of share transfer suspension date. 9. The following matters shall not shall be itemized in the causes or subjects to be described in the notice to convene a meeting of shareholders and explained about the important contents thereof, and shall not be brought up as extemporary motions; the main content can be announced at the website designated by Taiwan securities authority or by the foreign issuer, and the foreign issuer shall			

Matters of material significance on the protection of shareholders' rights and interests	Applicable laws and regulations of "Company Act" or "Securities and Exchange Act"	Regulations relating to the laws of the foreign issuer's country of registration place	Provisions in the Company's Articles of Association and reasons for the discrepancy
specify the link to the website on the notice (1) Election or discharge of Directors and supervisors; (2) Alteration of the Articles of Association; (3) Capital reduction; (4) Application to terminate public offering; (5) Dissolution, merger, conversion of shares, spin-off of the company; (6) Enter into, amend, or terminate any contract for lease of the company's business in whole, or for entrusted business, or for regular joint operation with others; (7) Transfer the whole or any essential part of its business or assets; (8) Accept the transfer of another's whole business or assets, which has great bearing on the business operation of the company; (9) Private placement of any equity-type securities; (10) Granting waiver to the Director's engaging in any business within the scope of business of the Company; (11) Distributing part or all of its dividends or bonus by way of issuance of new Shares; and (12) Distribution of legal reserve fund from profit and capital reserve			

Matters of material significance on the protection of shareholders' rights and interests	Applicable laws and regulations of "Company Act" or "Securities and Exchange Act"	Regulations relating to the laws of the foreign issuer's country of registration place	Provisions in the Company's Articles of Association and reasons for the discrepancy
from share premium or gift, by means of rights issue or cash payment to existing shareholders. 1. The company shall adopt electronic transmission as one of the methods for exercising the shareholders' voting power at a shareholders' meeting. 2. The method for exercising the voting power shall be described in the shareholders' meeting notice to be given to the shareholders if the voting power will be exercised in writing or by way of electronic transmission by the company. A shareholder who exercises his/her/its voting power at a shareholders' meeting in writing or by way of electronic transmission shall be deemed to have attended the said shareholders' meeting in person, but shall be deemed to have waived his/her/its voting power in respective of any extemporary motion(s) and/or the amendment(s) to the contents of the original proposal(s) at the said shareholders' meeting. 3. In case a shareholder elects to exercise his/her/its voting power in writing or by way of electronic transmission, his/her/its declaration of intention shall be served to the company two (2) days prior to the	1. Article 177-1 of the Company Act 2. Article 177-2 of the Company Act	1. A shareholder shall not exercise his/her/its voting power in writing or by way of electronic transmission. Unless otherwise provided by the company's Articles of Association; however, a shareholder may authorize a proxy in writing or by way of electronic transmission to exercise the voting rights of his/her/its shares at the meeting. 2. In case a shareholder exercises the voting power in his/her/its behalf through a proxy, he/she/it will not be deemed to have attended the shareholders' meeting in person. 3. The Company's Articles of Association may prescribe the delivery of the power of attorney. 4. There is no stipulation that a shareholder revokes the power of attorney in the Company Law of Cayman Islands. However, under principles of common law, notwithstanding anything in the Company's Articles of Association to the contrary, shareholders who attend the shareholders' meeting in person to exercise their voting power shall have the preemptive effect, provided that the Company's Articles of Association may prescribe the	As prescribed in Article 19.6 of the company's Articles of Association, "A Member exercising voting power by way of a written ballot or by way of an electronic transmission shall be deemed to have appointed the chairman of the general meeting as his proxy to exercise his or her voting right at such general meeting in accordance with the instructions stipulated in the written or electronic document." Although the Company Law of Cayman Islands considers a shareholder exercising the voting power in such manner not to be deemed to have attended the shareholders' meeting in person, such a shareholder is still entitled to all the rights of a shareholder who has exercised his/her/its voting power in writing or by way of electronic transmission in accordance with the applicable laws and regulations of the Republic of China. Such difference should not have a material adverse effect on the Company's shareholders' rights and interests.

Matters of material significance on the protection of shareholders' rights and interests	Applicable laws and regulations of "Company Act" or "Securities and Exchange Act"	Regulations relating to the laws of the foreign issuer's country of registration place	Provisions in the Company's Articles of Association and reasons for the discrepancy
scheduled meeting date of the shareholders' meeting, whereas if two (2) or more declarations of the same intention are served to the company, the first declaration of such intention received shall prevail; unless an explicit statement to revoke the previous declaration is made in the declaration which comes later. 4. In case a shareholder who has exercised his/her/its voting power in writing or by way of electronic transmission intends to attend the shareholders' meeting in person, he/she/it shall, two days prior to the meeting date of the scheduled shareholders' meeting and in the same manner previously used in exercising his/her/its voting power, serve a separate declaration of intention to rescind his/her/its previous declaration of intention made in exercising the voting power under the preceding paragraph. In the absence of a timely rescission of the previous declaration of intention, the voting power exercised in writing or by way of electronic transmission shall prevail. 5. In case a shareholder has exercised his/her/its voting power in writing or by way of electronic transmission,		revocation of the power of attorney when shareholders do not attend the shareholders' meeting in person.	

Matters of material significance on the protection of shareholders' rights and interests	Applicable laws and regulations of "Company Act" or "Securities and Exchange Act"	Regulations relating to the laws of the foreign issuer's country of registration place	Provisions in the Company's Articles of Association and reasons for the discrepancy
and has also authorized a proxy to attend the shareholders' meeting in his/her/its behalf, then the voting power exercised by the authorized proxy for the said shareholder shall prevail.			
1. If any of the following proposal is adopted via the resolution of the shareholders' meeting, the dissenting Member shall execute the right of the redemption against the Company: (1). Any Spin-off, Merger, acquisition or Share Swap; (2). Enter into, amend, or terminate any contract for lease of the Company's business in whole, or for entrusted business, or for regular joint operation with others; Transfer the whole or any essential part of its business or assets; or Accept the transfer of another's whole business or assets, which has great bearing on the business operation of the company. 2. The requesting Member, in the prior Section, shall provide the written notice to the Company within twenty days after the adoption of resolution made by Shareholders' meeting, stating therein the appraisal price of shares. In the event the requesting Member and the Company have reached an	1. Article § 186 and 317 of Company Act of Taiwan 2. Article § 12 of Business Mergers And Acquisitions Act of Taiwan	According to Article § 238 of Companies Law of Cayman Islands, it sets forth the regulation with respect to the rights of dissenting Member, who execute the right of redemption against the Company.	There's a slight difference in the Article 22.3 of the Company's Articles of Association and the matters of material significance on the protection of shareholders' rights and interests as stated left. Under the Article § 238 of Companies Law of Cayman Islands, it has set forth the relevant regulations with respect to the rights of dissenting Member. The Article 22.2 and 22.3 of the Company's Articles of Association are amended in compliance with the protection of shareholders' rights and interests as stated left. In addition, the Article 22.3 of the Company's Articles of Association is also amended to specify that dissenting Member will reserve the right under the Article § 238 of Companies Law of Cayman Islands. Reasons for such difference are due to the requirements in the Company Law of Cayman Islands. Therefore, such differences should not have a material adverse effect on the Company's shareholders' rights and interests.

Matters of material significance on the protection of shareholders' rights and interests	Applicable laws and regulations of "Company Act" or "Securities and Exchange Act"	Regulations relating to the laws of the foreign issuer's country of registration place	Provisions in the Company's Articles of Association and reasons for the discrepancy
agreement in regard to the appraisal price of the Shares held by such requesting Member, the Company shall pay such price within ninety days after the date on which the resolution was adopted. In the event the requesting Member and the Company fail to reach any agreement with respect to the appraisal price, the Company shall pay the price to which the Company considers to be fair price, to the requesting Member within ninety days after the date of the relevant resolution. If the Company fails to pay the price to which the Company considers to be the fair price within ninety days after the date in which the resolution was adopted, the Company shall be deemed to have agreed to the appraisal price requested by the dissenting Member. 3. The Member who has voted against such resolution or forfeited his voting right at the shareholders' meeting may execute the right under the Paragraph I of Section I. In the event the Company and the requesting Member fail to reach the agreement with respect to the appraisal price within sixty days after the resolution date, the Company shall, within thirty days			

Matters of material significance on the protection of shareholders' rights and interests	Applicable laws and regulations of "Company Act" or "Securities and Exchange Act"	Regulations relating to the laws of the foreign issuer's country of registration place	Provisions in the Company's Articles of Association and reasons for the discrepancy
after such sixty-day period, file a petition to Taipei District Court or a ruling on the appraisal price against all the requesting Members as the opposing party. 4. The number of shares held by the Member who forfeited his voting right shall not be counted toward the number of votes represented by the Members present at a general meeting.			
Any of the following proposals involving material rights or interests of shareholders shall not be adopted without a resolution adopted by a majority of the shareholders present who represent two-thirds or more of the total number of its outstanding shares. If the total number of shares represented by the shareholders present at shareholders' meeting is not sufficient to meet the criteria specified in the above mentioned, the resolution to be made thereto may be adopted by two-thirds or more of the attending shareholders who represent a majority of the total number of its outstanding shares: 1. A company enters into, amend, or terminate any contract for lease of the company's business in whole, or for entrusted business, or for regular joint operation with others, transfer the whole or any essential part of its business or assets, accept the	1. Article 185 of the Company Act 2. Article 277 of the Company Act 3. Article 159 of the Company Act 4. Article 240 of the Company Act 5. Article 316 of the Company Act 6. Article 29 of Business Mergers And Acquisitions Act	1. According to Article 60 of the Company Law of Cayman Islands, a special resolution means a resolution that has been passed by a majority of not less than two-thirds (where there is any higher percentage of the total number of the voting rights is required in the Articles of Association, such higher percentage shall prevail) of such members as, being entitled to do so, vote in person or, where a power of attorney is allowed, by a proxy at a shareholders' meeting. As usually prescribed by a general Cayman Company's Articles of Association, a special resolution by which such proposal should be adopted shall be specified in the shareholders' meeting notice. A written resolution signed by all shareholders, provided that it has been authorized by the company's Articles of Association, is also deemed as a special resolution made.	1. Article 1.1 of the Company's Articles of Association (a) Provisions of the Company's Articles of Association According to Article 1.1 of the Company's Articles of Association, a special resolution means "a resolution passed by a majority of not less than two-thirds of votes cast by such Members as, being entitled so to do, vote in person or, where proxies are allowed, by proxy at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given. means a resolution passed by a majority of not less than two-thirds of votes cast by such Members as, being entitled so to do, vote in person or, where proxies are allowed, by proxy at a general meeting of which notice specifying the intention to propose

Matters of material significance on the protection of shareholders' rights and interests	Applicable laws and regulations of "Company Act" or "Securities and Exchange Act"	Regulations relating to the laws of the foreign issuer's country of registration place	Provisions in the Company's Articles of Association and reasons for the discrepancy
transfer of another's whole business or assets, which has great bearing on the business operation of the company 2. Modification or alteration of the Articles of Association 3. Any modification or alteration in the Articles of Association prejudicial to the privileges of special shareholders shall be adopted by a meeting of special shareholders additionally 4. Have the whole or a part of the surplus profit distributable as dividends and bonuses distributed in the form of new shares to be issued by the company for such purpose 5. A resolution for dissolution, consolidation or merger, or split-up of a company 6. Share Swap		When the number of votes is required in the manner for exercising the voting power to calculate whether it belongs to a majority of special resolution, the company's Articles of Association may specify the total number of votes entitled to each shareholder. 2. According to the Company Law of Cayman Islands, matters that require a special resolution include: (i) change the company name (Article 31); (ii) alter or add to articles of association (Article 24); (iii) alter or add to the memorandums of association with respect to any objects, powers or other matters specified therein; (iv) reduce share capital and any capital redemption reserve; (v) wind up voluntarily for reasons other than that the company is unable to pay its debts as they fall due; and (vi) merger or consolidation with other company. Additionally, according to Article 18.1 of the Company's Articles of Association, "No business shall be transacted at any general meeting unless a quorum is present. Unless otherwise provided in the Statute, the Articles and the Applicable Public Company Rules, Members present in person or by proxy, representing more than one-half of the total issued, outstanding Shares, shall constitute a quorum for any general meeting." That is, a special resolution may be adopted at a shareholders' meeting attended by shareholders representing the majority of shares issued and 3. For matters other than those stated above, the Company Law of Cayman	the resolution as a special resolution has been duly given." According to the Cayman Islands legal opinions, matters that require a special resolution include but are not limited to: (i) change the company name; (ii) alter or add to Articles of Association; (iii) alter or add to the memorandums of association with respect to any objects, powers or other matters specified therein; (iv) reduce share capital and any capital redemption reserve; (v) wind up voluntarily for reasons other than that the company is unable to pay its debts as they fall due; and (vi) merger or consolidation with other company. Additionally, according to Article 18.1 of the Company's Articles of Association, "No business shall be transacted at any general meeting unless a quorum is present. Unless otherwise provided in the Statute, the Articles and the Applicable Public Company Rules, Members present in person or by proxy, representing more than one-half of the total issued, outstanding Shares, shall constitute a quorum for any general meeting." That is, a special resolution may be adopted at a shareholders' meeting attended by shareholders representing the majority of shares issued and

Matters of material significance on the protection of shareholders' rights and interests	Applicable laws and regulations of "Company Act" or "Securities and Exchange Act"	Regulations relating to the laws of the foreign issuer's country of registration place	Provisions in the Company's Articles of Association and reasons for the discrepancy
		Islands does not require them to be adopted by a certain majority; however, it may be prescribed in the company's Articles of Association.	outstanding in person or by a proxy, and in which at least two-thirds of the votes cast by the shareholders present (including shareholders present by a proxy) are in favor of the resolution. (b) Reasons for discrepancy According to the Cayman Islands legal opinions, the special resolution is subject to the Company Law of Cayman Islands, and according to which, any resolution adopted by shareholders lower than the majority threshold for a matter that requires a special resolution is deemed invalid. And Article 1.1 of the company's Articles of Association defines separately "Supermajority Resolution" as "a resolution adopted by a majority vote of the Members present and entitled to vote on such resolution at a general meeting attended in person or by proxy by Members who represent two-thirds or more of the total issued, outstanding Shares of the Company or, (ii) if the total number of Shares represented by the Members present at the general meeting is less than two-thirds of the total issued, outstanding Shares of the Company, but more than half of the total issued, outstanding Shares of the Company, a resolution adopted at such general

Matters of material significance on the protection of shareholders' rights and interests	Applicable laws and regulations of "Company Act" or "Securities and Exchange Act"	Regulations relating to the laws of the foreign issuer's country of registration place	Provisions in the Company's Articles of Association and reasons for the discrepancy
			meeting by the Members who represent two-thirds or more of the Shares present and entitled to vote on such resolution." For any matter of material significance on the protection of shareholders' rights and interests as stated left, if it should be adopted by a special resolution pursuant to the Company Law of Cayman Islands, it will be still listed as one of matters under "Special Resolution" in the company's Articles of Association; otherwise, it will be listed as one of matters under "Supermajority Resolution." 2. Article 14.3 of the company's Articles of Association (moved to Article 14.4 if the proposed amendment to the Articles of Association is adopted at the annual general meeting of 2018) (a) Provisions of the company's Articles of Association: According to Article 14.3 of the company's Articles of Association, "Subject to the provisions of the Statute, the Articles, and the Applicable Public Company Rules, with regard to the dissolution procedures of the Company, the Company shall pass (a) a Supermajority Resolution, if the Company resolves that it be wound

Matters of material significance on the protection of shareholders' rights and interests	Applicable laws and regulations of "Company Act" or "Securities and Exchange Act"	Regulations relating to the laws of the foreign issuer's country of registration place	Provisions in the Company's Articles of Association and reasons for the discrepancy
			up voluntarily because it is unable to pay its debts as they fall due; or (b)a Special Resolution, if the Company resolves that it be wound up voluntarily for reasons other than the reason stated in Article 14.3(a) above." The slight difference between it and the matters of material significance on the protection of shareholders' rights and interests as stated left lies in: based on the reasons for resolution to dissolve, the company's Articles of Association lists the resolution for dissolution as one of matters under "Supermajority Resolution" or "Special Resolution," respectively. In comparison, the matters of material significance on the protection of shareholders' rights and interests always require to be adopted by "Supermajority Resolution." (b) Reasons for discrepancy: According to the Cayman Islands legal opinions, the Company Law of Cayman Islands provides that a company shall resolve that it be wound up voluntarily for reasons other than being unable to pay its debts as they fall due by a special resolution. Thus the difference arises out of the laws of Cayman Islands. From the above, we can know that

Matters of material significance on the protection of shareholders' rights and interests	Applicable laws and regulations of "Company Act" or "Securities and Exchange Act"	Regulations relating to the laws of the foreign issuer's country of registration place	Provisions in the Company's Articles of Association and reasons for the discrepancy
			such difference comes from what is limited by law of Cayman Islands. Therefore, "if the Company resolves that it be wound up voluntarily because it is unable to pay its debts as they fall due," a Supermajority Resolution shall be adopted at the shareholders' meeting as prescribed in the company's Articles of Association, while a company is being wound up voluntarily for reasons other than the reason stated in Article 14.3(a), it will be listed as one of matters under "Special Resolution" as required by the Company Law of Cayman Islands. Such difference comes from what is limited by law of Cayman Islands, which should not have a material adverse effect on the Company's shareholders' rights and interests.
III. Authorities and responsibilities of directors and supervisors			
The remuneration of directors, if not prescribed in the Articles of Association, shall be determined by a meeting of shareholders and cannot be ratified by a meeting of shareholders.	Paragraph 1, Article 196 of the Company Act	The Company Law of Cayman Islands does not clearly specify how to determine remuneration of directors; however, it may be prescribed in the company's Articles of Association.	Although neither the remuneration of directors is clearly specified nor it shall be determined by a meeting of shareholders is specified in the company's Articles of Association, referring to per Explanation Shang-Zi No. 09302030870 filed on March 8, 2004 by the Ministry of Economic Affairs and the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on

Matters of material significance on the protection of shareholders' rights and interests	Applicable laws and regulations of "Company Act" or "Securities and Exchange Act"	Regulations relating to the laws of the foreign issuer's country of registration place	Provisions in the Company's Articles of Association and reasons for the discrepancy
			the Stock Exchange or Traded Over the Counter," the Company's Board of Director has established a remuneration committee. Therefore, the provisions as stated left should not have a material adverse effect on the Company's shareholders' rights and interests.
In case a director has, in the course of performing his/her duties, committed any act resulting in material damages to the company or in serious violation of applicable laws and/or regulations, but not discharged by a resolution of the shareholders' meeting, the shareholder(s) holding 3% or more of the total number of outstanding shares of the company may, within 30 days after that shareholders' meeting, institute a lawsuit in the court for a judgment in respect of such matter. The Taiwan Taipei District Court, R.O.C, may be the court of the first instance for this matter.	Article 200 of the Company Act	1. The Company Law of Cayman Islands does not clearly specify that the minority shareholders may institute a lawsuit in the court of Cayman Islands for discharge of directors. 2. In general, the procedure for discharge of directors is prescribed in the company's Articles of Association, and that an ordinary resolution should be adopted at the shareholders' meeting is typically prescribed. 3. According to shareholders' remedies required by the common law, in a lawsuit accusing a director of bringing about infringement to the company, the proper plaintiff in form should be the company per se and not an individual shareholder or minority shareholders. There are only a few of exceptions for the above principle, including that when the conduct of a director constitutes a fraud against the minority shareholders and the person who commits such fraud is a company's controller, the minority	(1) Provisions of the company's Articles of Association: According to Article 28.2 (j) of the company's Articles of Association, "Subject to the provisions of the Statute, and the Articles or the Applicable Public Company Rules, in the event that he has, in the course of performing his duties, committed any act resulting in material damage to the Company or in serious violation of applicable laws and/or regulations or the Memorandum and the Articles, but has not been removed by the Company pursuant to a Supermajority Resolution vote, then any Member(s) holding 3% or more of the total number of issued, outstanding Shares shall have the right, within thirty days after that general meeting, to petition any competent court for the removal of such Director, at the Company's expense and such Director shall be removed upon the final judgment by such court. For clarification, if a relevant court has competent jurisdiction to adjudicate all of the

Matters of material significance on the protection of shareholders' rights and interests	Applicable laws and regulations of "Company Act" or "Securities and Exchange Act"	Regulations relating to the laws of the foreign issuer's country of registration place	Provisions in the Company's Articles of Association and reasons for the discrepancy
		shareholders who have suffered the fraud may institute a lawsuit in the court. 4. Since the court of the Cayman Islands cannot ratify and enforce foreign non-monetary judgments before re-examination on the legal basis of the said dispute, such stipulation added in the company's Articles of Association may not be executed under the Company Law of Cayman Islands. Directors may be discharged according to the procedure prescribed in the Company's Articles of Association.	foregoing matters in a single or a series of proceedings, then, for the purpose of this paragraph (j), final judgment shall be given by such competent court." It is slightly different from the matters of material significance on the protection of shareholders' rights and interests as stated left. (2)Reasons for discrepancy: The Company Law of Cayman Islands does not clearly specify that the minority shareholders are allowed to enter a petition in the court of Cayman Islands for discharge of directors. Under the common law, the subrogation litigation of shareholders will be claimed only under rare circumstances. Thus the company's Articles of Association prescribes that a shareholder shall institute a lawsuit in a competent court. Since shareholders may discharge a directors according to the company's Articles of Association, it should not have a material adverse effect on the Company's shareholders' rights and interests.
1. Supervisors of a company shall be elected by the meeting of shareholders, among them at least one supervisor shall have a domicile within the territory of the Republic of China.	Article 216 to 222 of the Company Act	The Company Law of Cayman Islands has no corresponding concept of "Supervisor".	Article 32.6 of the company's Articles of Association As described in the former section of Paragraph 2, Article 28-4 of Taiwan Stock Exchange Corporation Rules

Matters of material significance on the protection of shareholders' rights and interests	Applicable laws and regulations of "Company Act" or "Securities and Exchange Act"	Regulations relating to the laws of the foreign issuer's country of registration place	Provisions in the Company's Articles of Association and reasons for the discrepancy
2. The term of office of a supervisor shall not exceed three years, but he may be eligible for re-election. 3. In case all supervisors of a company are discharged, the Board of Directors shall, within sixty (60) days, convene a special meeting of shareholders to elect new supervisors. 4. Supervisors shall supervise the execution of business operations of the company, and may at any time or from time to time investigate the business and financial conditions of the company, examine the accounting books and documents, and request the Board of Directors or managerial personnel to make reports thereon. 5. Supervisors shall audit the various statements and records prepared for submission to the shareholders' meeting by the Board of Directors, and shall make a report of their findings and opinions at the meeting of shareholders. 6. In performing their functional duties of auditing, the supervisors may appoint a certified public accountant to conduct the auditing in their behalf. 7. Supervisors of a company may attend the meeting of the Board of Directors to give their opinions. In			Governing Review of Securities Listings "A foreign issuer shall install either an audit committee or supervisors". The Company has installed an audit committee comprised of all independent directors (Article 32.6 of Articles of Association to replace the installment of supervisors under Company Act. Such difference should not have a material adverse effect on the Company's shareholders' rights and interests.

Matters of material significance on the protection of shareholders' rights and interests	Applicable laws and regulations of "Company Act" or "Securities and Exchange Act"	Regulations relating to the laws of the foreign issuer's country of registration place	Provisions in the Company's Articles of Association and reasons for the discrepancy
case the Board of Directors or any director commits any act, in carrying out the business operations of the company, in a manner in violation of the laws, regulations, the Articles of Incorporation or the resolutions of the shareholders' meeting, the supervisors shall forthwith advise, by a notice, to the Board of Directors or the Director, as the case may be, to cease such act. 8. The supervisors may each exercise the supervision power individually. 9. A supervisor shall not be concurrently a director, a managerial officer or other staff/employee of the company.			
1. Shareholder(s) who has/have been continuously holding 1% or more of the total number of the outstanding shares of the company over six months may request in writing the supervisors of the company to institute, for the company, an action against a director of the company. The Taiwan Taipei District Court, R.O.C, may be the court of the first instance for this matter. 2. In case the supervisors fail to institute an action within 30 days after having received the request made by shareholder(s), then the shareholders filing such request may institute the action for the company.	Article 200, 214, 220 and 227 of the Company Act	1. The Company Law of Cayman Islands has no corresponding concept of "Supervisor." 2. According to shareholders' remedies required by the common law, in a lawsuit accusing a director of bringing about infringement to the company, the proper plaintiff in form should be the company per se and not an individual shareholder or minority shareholders. There are only a few of exceptions for the above principle, including that when the conduct of a director constitutes a fraud against the minority shareholders and the person who commits such fraud is a company's controller, the minority	Article 25.6 of the company's Articles of Association As described in the former section of Paragraph 2, Article 28-4 of Taiwan Stock Exchange Corporation Rules Governing Review of Securities Listings "A foreign issuer shall install either an audit committee or supervisors." The Company has installed an audit committee comprised of all independent directors to replace the installment of supervisors under Company Act. Such difference should not have a material adverse effect on the Company's shareholders' rights and interests.

Matters of material significance on the protection of shareholders' rights and interests	Applicable laws and regulations of "Company Act" or "Securities and Exchange Act"	Regulations relating to the laws of the foreign issuer's country of registration place	Provisions in the Company's Articles of Association and reasons for the discrepancy
The Taiwan Taipei District Court, R.O.C, may be the court of the first instance for this matter. 3. In addition to the events that the board of directors does not or is unable to convene a shareholders meeting, the supervisors may, for the benefit of the company, convene shareholders meeting when necessary.		shareholders who have suffered the fraud may institute a lawsuit in the court. 3. Since the court of the Cayman Islands cannot ratify and enforce foreign non-monetary judgments before re-examination on the legal basis of the said dispute, such stipulation added in the company's Articles of Association may not be executed under the Company Law of Cayman Islands. Directors may be discharged according to the procedure prescribed in the company's Articles of Association.	
In case a director or supervisor (applicable to companies who install supervisors) of a company whose shares are issued to the public has created a pledge on the company's shares more than half of the company's shares being held by him/her/it at the time he/she/it is elected, the voting power of the excessive portion of shares shall not be exercised and the excessive portion of shares shall not be counted in the number of votes of shareholders present at the meeting.	Articles 197-1 and 227 of the Company Act	The fact that shares held by directors shall have no voting power (under which circumstances) is not required by the Company Law of Cayman Islands; however, the relevant procedures may be prescribed in the Articles of Association.	Article 24.3 of the company's Articles of Association In addition, as described in the former section of Paragraph 2, Article 28-4 of Taiwan Stock Exchange Corporation Rules Governing Review of Securities Listings "A foreign issuer shall install either an audit committee or supervisors". The Company has installed an audit committee by all independent directors; therefore, supervisors are not required to be installed additionally. Such difference should not have a material adverse effect on the Company's shareholders' rights and interests. Thus supervisors are not included in the above mentioned Articles of Association. Such difference should

Matters of material significance on the protection of shareholders' rights and interests	Applicable laws and regulations of "Company Act" or "Securities and Exchange Act"	Regulations relating to the laws of the foreign issuer's country of registration place	Provisions in the Company's Articles of Association and reasons for the discrepancy
1. The director of a company shall have the loyalty and shall exercise the due care of a good administrator in conducting the business operation of the company; and if he/she has acted contrary to this provision, shall be liable for the damages to be sustained by the company therefrom. In case the director of a company does anything for himself/herself or on behalf of another person, the meeting of shareholders may, by a resolution, consider the earnings in such an act as earnings of the company. 2. If the director of a company has, in the course of conducting the business operations, violated any provision of the applicable laws and/or regulations and thus caused damage to any other person, he/she shall be liable, jointly and severally, for the damage to such other person. 3. The managerial officer or supervisor of a company, acting within the scope of their duties, shall assume the liabilities for the damage in the same manner as directors of a company do.	Paragraph 2, Article 8, Paragraph 3, Article 23 of the Company Act Paragraph 1 and 2, Article 5 of Business Mergers And Acquisitions Act of Taiwan	1. The Company Law of Cayman Islands includes specifically obligations of directors as clear directions. According to the common law of Cayman Islands, each shareholder being liable to (1) fiduciary duties, and (2) exercise the due care of a good administrator for the company (duty of care). The company may claim compensation against the directors who have violated the above duties. In addition, directors who have violated their duties acquire interests shall be bound to return the same to the company. 2. Based on principles of common law, in the course of operation for management of the company's businesses, the acts of a director representing the company will be deemed as the acts of the company per se. If the conduct thereof causes damage of any third party, the company, not the director, shall be bound to be liable the third party for the acts. The third party caused by the damage cannot demand from the company the compensation and impose obligations on the directors according to the company's Articles	not have a material adverse effect on the Company's shareholders' rights and interests. Article 26.5 of the company's Articles of Association However, if the director of a company has, in the course of conducting the business operations, violated any provision of the applicable laws and/or regulations and thus caused damage to any other person, such other person may not be able to claim compensation directly from such director under the law of Cayman Islands. Even the company's Articles of Association requires that the director shall be jointly liable for compensation with the company to the other person, the base of such claim will be unable to be created. In addition, although Article 26.5 of the company's Articles of Association has required that such clause of obligation is also applicable to managerial officers; however, it shall be entered into the contracts with managerial officers in accordance with the law of Cayman Islands. Therefore, if the responsibilities of managerial officers for the matters of material significance on the protection of shareholders' rights and interests as stated left will be implemented, the Company shall enter into the contracts

Matters of material significance on the protection of shareholders' rights and interests	Applicable laws and regulations of "Company Act" or "Securities and Exchange Act"	Regulations relating to the laws of the foreign issuer's country of registration place	Provisions in the Company's Articles of Association and reasons for the discrepancy
		of Association. Any third party who is not a shareholder cannot execute it according to the company's Articles of Association. The company who is liable for the damage to be sustained by the third party because the directors who have violated the duties may claim reimbursement against the directors caused the damage. 3. The managerial officer generally has no fiduciary duties for the company. Since managerial officers are not the parties pursuant to the Articles of Association, no execution effect is present even it is prescribed in the Articles of Association. The above duties shall be entered into the contracts with managerial officer.	with managerial officers. Such difference should not have a material adverse effect on the Company's shareholders' rights and interests.
Where a juristic person acts as a shareholder of a company, its authorized representative may be elected as a director or supervisor of the company. If there is a plural number of such authorized representatives, each of them may be so elected, but such authorized representatives may not concurrently be selected or serve as the director or supervisor of the company.	Paragraph 2, Article 27 of the Company Act	1.The fact that an authorized representative of a juristic person acting as a shareholder being elected as a director is not regulated by the Company Law of Cayman Islands; however, it may be prescribed in the Articles of Association. 2.The Company Law of Cayman Islands has no corresponding concept of "Supervisor."	Article 27.4 of the Company's Articles of Association As described in the former section of Paragraph 2, Article 28-4 of Taiwan Stock Exchange Corporation Rules Governing Review of Securities Listings "A foreign issuer shall install either an audit committee or supervisors." The Company has installed an audit committee comprised of all independent directors to replace the installment of supervisors under the Company Act. Such difference should not have a material adverse effect on the

Matters of material significance on the protection of shareholders' rights and interests	Applicable laws and regulations of "Company Act" or "Securities and Exchange Act"	Regulations relating to the laws of the foreign issuer's country of registration place	Provisions in the Company's Articles of Association and reasons for the discrepancy
			Company's shareholders' rights and interests. Thus supervisors are not included in the above mentioned Articles of Association. Such difference should not have a material adverse effect on the Company's shareholders' rights and interests.

6.5 Any Events in 2024 and as of the Date of Publication of the Annual Report that Had Significant Impacts on Shareholders' Right or Security Prices as Stated in Article 36-3-2 of the Securities and Exchange Law of Taiwan

None.

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