Stock code: 3317

NIKO SEMICONDUCTOR CO., LTD. AND SUBSIDIARIES CONSOLIDATED FINANCIAL STATEMENTS WITH REPORT OF INDEPENDENT AUDITORS FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2023 AND 2022

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For the convenience of readers and for information purposes only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of two versions, the original Chinese auditors' report and financial statement version shall prevail.

Independent Accountant's Review Report

The Board of Directors and Shareholders
Niko Semiconductor:

Foreword

We have audited the accompanying consolidated financial statement of Niko Semiconductor and its subsidiaries as of March 31, 2023 and 2022, and the consolidated statement of comprehensive income, changes in equity and cash flows, and the notes to the consolidated financial statement(including a summary of significant accounting policies) from January 1 to March 31 of 2023 and 2022. According to the Guidelines for the Preparation of Financial Report by Securities Issuers and IAS No. 34 Interim Financial Report approved and issued by the financial supervision and regulation Commission. It is the management's responsibility to prepare a presentation of consolidated financial report, and the accountant's responsibility is to draw a conclusion on the consolidated financial report based on the audit results.

Scope

Except as stated in the basic paragraph of the reserved conclusion, we conducted our audit in accordance with the ISRE 2410 Auditing of Financial Statements. The procedures for reviewing consolidated financial reports include inquiry (mainly to personnel responsible for financial and accounting affairs), analytical procedures and other review procedures. As the scope of the reviewing work is obviously smaller than that of the auditing work, we may not be able to detect all the important matters that can be identified therefrom, and therefore cannot express the auditing opinions.

Basis for Opinion

As mentioned in note 4 (2) to the consolidated financial report, the non-significant subsidiaries listed in the aforementioned consolidated financial report are based on the financial reports of these invested companies that have not been reviewed by accountants during the same period. The total assets as of March 31, 2023 and 2022 were NT$ 203,469 thousands and NT$ 126,492 thousands respectively, accounting for 6.26% and 4.01% of the total consolidated assets respectively. The total liabilities were NT$ 6,565 thousands and NT$ 7,144 thousands respectively, accounting for 1.17% and 0.94% of the total consolidated liabilities respectively. The absolute value of the consolidated profit and loss from January 1 to March 31 in 2023 and 2022 were NT$ 530 thousands and NT$ 4,203 thousands respectively, accounting for 1.25% and 2.75% of the consolidated profit and loss respectively.

Reserved Conclusion

According to the results of our review, except that the financial reports of these invested companies mentioned in the basic paragraph of the reserved conclusion, if reviewed by us, may affect the consolidated financial reports, the aforementioned consolidated financial reports have been prepared in accordance with the Guidelines for the Preparation of Financial Reports by Securities Issuers and IAS No.34 Interim Financial Report approved by the Financial Supervisory Commission and issued in effect. The reports expressed fairly the consolidated financial position of Niko Semiconductor and its subsidiaries as of March 31, 2023 and 2022, and the consolidated financial performance and consolidated cash flow from January 1 to March 31, 2023 and 2022.

KPMG Taiwan
Fu, Hong-Wen
Hong, Shi-Gang
May 5, 2023

<u>Notice to Readers</u>

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China. For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

Niko Semiconductor and Subsidiaries

Consolidated Balance Sheet

March 31, 2023, December 31 and March 31, 2022

Unit: NT$ thousands

(The consolidated balance sheets as of March 31, 2023 and 2022 are reviewed, not audited)

		March 31, 2023		December 31, 2022		March 31, 2022	
	Assets	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current assets						
1100	Cash and equivalent cash (Note 6(1))	$ 1,049,199	32	1,201,443	35	1,091,509	35
1110	Financial assets measured at fair value through profits and losses - Current(Note 6(2))	1,469	-	317	-	10,343	-
1170	Net accounts receivable(Note 6(3)and(15))	809,442	25	737,473	22	1,018,330	32
1180	Accounts receivable – Net amount of Related parties(Note 6(3)、(15) and 7)	-	-	-	-	34,984	1
1200	Other receivables(Note 7)	15,169	-	18,186	-	14,659	1
130X	Inventory (Note 6(4))	723,528	22	813,024	24	414,366	13
1470	Other current assets(Note 9)	51,095	2	44,063	1	25,795	1
	Total current assets	2,649,902	81	2,814,506	82	2,609,986	83
	Non-current assets:						
1550	Investments by equity method(Note 6(5))	148,754	5	148,647	5	79,778	3
1600	Property, plant and equipment (Note 6(6) and 8)	300,511	10	304,723	9	289,500	9
1755	Use Right assets (Note 6(7))	4,103	-	4,664	-	4,478	-
1760	Net Investment property (Note 6(8) and 8)	70,818	2	70,970	2	71,425	2
1840	Deferred income tax assets	11,789	-	11,789	-	11,830	-
1900	Other non-current assets(Note 9)	66,661	2	74,689	2	89,295	3
	Total non-current assets	602,636	19	615,482	18	546,306	17
	Total assets	**$ 3,252,538**	**100**	**3,429,988**	**100**	**3,156,292**	**100**

		March 31, 2023		December 31, 2022		March 31, 2022	
	Liabilities and equity	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current liabilities						
2170	Accounts payable	241,097	7	432,458	13	358,415	12
2180	Accounts payable-Related parties (Note 7)	251	-	66	-	635	-
2200	Other payable (Note 7)	215,931	7	229,551	7	279,139	9
2230	Current income tax liabilities	92,082	3	81,668	2	104,363	3
2280	Lease liabilities - Current (Note 6(9))	2,360	-	2,321	-	1,572	-
2300	Other current liabilities (Note 6(15) and 7)	3,003	-	2,776	-	11,444	-
	Total current liabilities	554,724	17	748,840	22	755,568	24
	Non-current liabilities:						
2580	Lease liabilities - Non-current (Note 6(9))	1,844	-	2,431	-	2,932	-
2600	Other non-current liabilities	3,228	-	3,787	-	5,031	-
	Total non-current liabilities	5,072	-	6,218	-	7,963	-
	Total liabilities	559,796	17	755,058	22	763,531	24
	Equity attributable to the owner of the parent company:						
3110	Captital stock of common stock	612,515	19	612,515	18	612,515	20
3200	Capital reserves	630,512	19	630,512	18	630,512	20
3310	Legal reserves	202,903	6	202,903	6	167,537	5
3320	Special reserves	3,645	-	3,645	-	3,306	-
3350	Undistributed earnings (Note 6(13))	1,246,206	39	1,228,643	36	981,637	31
3400	Other equity	(3,039)	-	(3,288)	-	(2,746)	-
	Total equity	2,692,742	83	2,674,930	78	2,392,761	76
	Total liabilities and equity	**$ 3,252,538**	**100**	**3,429,988**	**100**	**3,156,292**	**100**

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

Niko Semiconductor and Subsidiaries
Consolidated Statements of Comprehensive Income
For the three-month periods ended March 31, 2023 and 2022
(Reviewed, not audited)

Unit: NT$ thousands

		For the three-month periods ended March 31			
		2023		2022	
		Amount	%	Amount	%
4000	**Operating income (Note 6(15) and 7)**	$ 597,058	100	767,306	100
5000	**Operating costs (Note 6(4), (11), (16), 7 and 12)**	453,434	76	527,742	69
	Gross operating profits	143,624	24	239,564	31
	Operating expenses (Note 6(3), (9),(11), (16), 7 and 12):				
6100	Sales promotion expenses	20,626	3	27,521	3
6200	Management expenses	24,007	4	44,656	6
6300	Research and development expenses	39,683	7	38,132	5
6450	Expected credit impairment loss	48	-	52	-
	Total operating expenses	84,364	14	110,361	14
	Net operating profits	59,260	10	129,203	17
	Non-operating income and expenditure：				
7010	Other income (Note 6(17) and 7)	833	-	858	-
7020	Other profit and loss (Note 6(17))	(7,265)	(1)	56,554	8
7050	Financial costs (Note 6(9),(17))	(53)	-	(54)	-
7060	Share of interests of affiliated enterprises recognized by equity method (Note 6(5))	(296)	-	2,199	-
	Total non-operating income and expenditure	(6,781)	(1)	59,557	8
	Net profit before tax	52,479	9	188,760	25
7950	**Minus: Income tax expenses (Note 6(12))**	10,415	2	36,963	5
	Net profit	42,064	7	151,797	20
8300	**Other comprehensive income:**				
8310	**Items not reclassified to profit and loss**				
8320	Share of Other comprehensive income of affiliated enterprises recognized by equity method (Note 6(5))	115	-	-	-
8349	Income tax related to items not reclassified	-	-	-	-
	Total Items not reclassified to profit and loss	115	-	-	-
8360	**Items that may be reclassified to profit and loss in subsequent periods**				
8361	Exchange differences on the translation of financial statements of foreign operating organizations	134	-	899	-
8399	Income tax related to items that may be reclassified	-	-	-	-
	Total items that may be reclassified to profit and loss in subsquent periods	134	-	899	-
8300	**Other comprehensive income**	249	-	899	-
	Total comprehensive income	$ 42,313	7	152,696	20
	Earnings per share (NTD) (Note 6(14))				
	Basic earnings per share (NTD)	$	0.69		2.48
	Diluted earnings per share (NTD)	$	0.67		2.42

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

Niko Semiconductor and Subsidiaries

Consolidated Statements of Comprehensive Income

For the three-month periods ended March 31, 2023 and 2022

(Reviewed, not audited)

Unit: NT$ thousands

			Equity attributable to owners of parent company					
						Items of Other Equity		
			Retained Earnings			Exchange differences on the translation of foreign operating organizations	Unrealized profit or loss on financial assets measured at fair value through other comprehensive income	
	Capital stock of common stock	Capital reserves	Legal reserves	Special reserves	Undistributed earnings			Total Equity
Balance on January 1, 2022	$ 612,515	630,512	167,537	3,306	903,342	(3,645)	-	2,313,567
Net profit	-	-	-	-	151,797	-	-	151,797
Other comprehensive income	-	-	-	-	-	899	-	899
Total comprehensive income	-	-	-	-	151,797	899	-	152,696
Appropriation and distribution of earnings:								
Cash dividend of common stock	-	-	-	-	(73,502)	-	-	(73,502)
Balance on March 31, 2022	**$ 612,515**	**630,512**	**167,537**	**3,306**	**981,637**	**(2,746)**	-	**2,392,761**
Balance on January 1, 2023	$ 612,515	630,512	202,903	3,645	1,228,643	(2,619)	(669)	2,674,930
Net profit	-	-	-	-	42,064	-	-	42,064
Other comprehensive income	-	-	-	-	-	134	115	249
Total comprehensive income	-	-	-	-	42,064	134	115	42,313
Appropriation and distribution of earnings:								
Cash dividend of common stock	-	-	-	-	(24,501)	-	-	(24,501)
Balance on March 31, 2023	**$ 612,515**	**630,512**	**202,903**	**3,645**	**1,246,206**	**(2,485)**	**(554)**	**2,692,742**

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

Niko Semiconductor and Subsidiaries

Consolidated Statements of Cash Flows

For the three-month periods ended March 31, 2023 and 2022

(Reviewed, not audited)

Unit: NT$ thousands

	For the three-month periods ended March 31,	
	2023	**2022**
Cash flows of business activities:		
Current net profit before tax	$ 52,479	188,760
Items of adjustment:		
Income expense loss item		
Depreciation expenses	6,694	5,169
Amortization expenses	152	54
Expected credit impairment loss	48	52
Interest expenses	53	54
Interest income	(86)	(8)
Share of interests of affiliated enterprises recognized by equity method	296	(2,199)
Loss of disposal of property, plant and equipment	-	9
Other	25,237	5,745
Total income expense loss item	32,394	8,876
Changes in assets and liabilities related to operating activities:		
Financial assets at fair value through profit or loss	(1,152)	(12,252)
Accounts receivable(including related parties)	(72,017)	(68,307)
Other receivables	3,017	1,636
Inventory	64,259	(26,337)
Other current assets	(3,617)	(8,901)
Long-term prepayment	2,059	(13,664)
Total net changes in assets related to operating activities	(7,451)	(127,825)
Accounts payable(including related parties)	(191,176)	(166,374)
Other payable	(38,332)	3,191
Other current liabilities	227	(3,349)
Net defined benefit liabilities	(559)	(556)
Total net changes in liabilities related to operating activities	(229,840)	(167,088)
Total net changes in assets and liabilities related to operating activities	(237,291)	(294,913)
Total items of adjustment	(204,897)	(286,037)
Cash outflow from operations	(152,418)	(97,277)
Collected interest	86	8
Paid interest	(53)	(54)
Paid income tax	-	(25)
Net cash outflow from operating activities	(152,385)	(97,348)
Cash flows of investment activities:		
Property, plant and equipment	(1,732)	(3,612)
Disposal of Property, plant and equipment	-	5
Decrease in refundable deposits	2,500	2,500
Obtain intangible assets	(98)	(333)
Net cash inflow(outflow) from investment activities	670	(1,440)
Cash flows from financing activities:		
Repayment of lease principal	(575)	(373)
Net cash outflow from financing activities	(575)	(373)
Impact of exchange rate changes on cash and equivalent cash	46	715
Current decrease of cash and equivalent cash	(152,244)	(98,446)
Balance of cash and equivalent cash at the beginning of the period	1,201,443	1,189,955
Balance of cash and equivalent cash at the ending of the period	**$ 1,049,199**	**1,091,509**

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

Niko Semiconductor and Subsidiaries
Notes to Consolidated Financial Statements
For the three-month periods ended March 31, 2023 and 2022
(Unless otherwise specified, all amounts are in unit of NT$ thousands)
(Reviewed, not audited)

I. Company evaluation

Niko Semiconductor Co., Ltd. (hereinafter referred to as the Company) was established with the approval of the Ministry of Economy on October 8, 1998. Its original name was Super GEM Co., Ltd. In April 2001, the Company changed its name to the existing name and registered at 12th floor, No.368, Gongjian Road, Xizhi District, New Taipei City. The Company and its subsidiaries' (hereinafter referred to as the merged Company) main business are the research, development, design and sales of analog IC that can be applied to communications, computers, computer peripherals, video, power supply and other consumer products. Please refer to Note 14 for details. The Company's shares have been listed and traded on Taiwan OTC since August 2007.

II. Date and Procedure of Adoption of Financial Report

The consolidated financial report was approved and released by the Board of Directors on May 5, 2023.

III. Application of newly issued and revised standards and interpretations

(I)Effect of adoption of the amendments and interpretations endorsed by the Financial Supervisory Commission ("FSC")

The merged Company adopted the following newly amended IFRS since January 1, 2023, which did not have a material impact on the consolidated financial statements.

- Amendment to IAS 1 "Disclosure of Accounting Policies"
- Amendment to IAS 8 "Definition of Accounting Estimates"
- Amendments to IAS 12 "Deferred tax related to assets and liabilities arising from a single transaction"

(II) New and amended standards and interpretations not yet endorsed by the FSC

The standards and interpretations issued and amended by the International Accounting Standards Board ("IASB") not yet endorsed by the FSC but may be relevant to the merged Company are as follows:

Newly Issued or Amended Standards	Major Amendments	Effective Date of Standards Issued by the IASB
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement for at least 12 months after the reporting date. The requirement has removed for a right to be unconditional and instead now requires that a right to defer settlement must exist at the reporting date and have substance The amendments also clarify how a company classifies a liability that can be settled in its own equity instruments (e.g. convertible bond).	January 1, 2024

The merged Company continues to evaluate the effect of the above standards and interpretations posed on the merged Company’s financial condition and management results. Related effects will be disclosed upon the completion of the evaluation.

The merged Company expects that the following other newly issued and amended standards not yet endorsed will not have a major impact the consolidated financial statements.

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”
- Amendments to IFRS 17 “Insurance Contracts” and Amendments to IFRS 17
- Amendment to IAS 1 “Non-current liabilities with covenant”
- Amendment to IFRS 16 “Lease liability in a Sale and Leaseback”

IV. Summary of Major Accounting Policies

(I) Statement

The consolidated financial report is prepared in accordance with the securities issuer’s financial report preparation standards (hereinafter referred to as Standards) and the IAS No. 34 Interim Financial Report approved and issued by the FSC. This consolidated financial report does not include all necessary information to be disclosed in the entire annual consolidated financial report prepared in accordance with the IFRS, IAS, and Interpretation and Interpretation Announcement approved and issued by the FSC (hereinafter referred to as IFRS recognized by the FSC).

Except for the following, the major accounting policies adopted in this consolidated financial report are the same as those in the consolidated financial report of 2022. For relevant information, please refer to Note 4 to the consolidated financial report of 2022.

(II) Consolidated basis

Subsidiaries included in this consolidated financial report include:

Name of investment company	Name of subsidiary company	Nature of business	Holding equity percentage March 31, 2023	December 31, 2022	March 31, 2022	Explanation
The Company	Jinrong Investment Co., Ltd. (Jinrong Investment)	Holding company	100%	100%	100%	Note
The Company	Power Up Tech Co., Ltd. (Power Up)	Holding company	100%	100%	100%	Note
Power Up	Wuxi Super GEM Microelectronics Co, Ltd. (Wuxi Super GEM)	Metal oxide semiconductor manufacturing, development and sales business, product quality monitoring and testing services; Selling self-produced products	100%	100%	100%	Note

Note: Non-significant subsidiary, and its financial report has not been reviewed by the accountant.

(III) Tax

The merged company measures and discloses the tax expenses for the interim period in accordance with paragraph B12 of IAS No.34 Interim Financial Report.

Tax expense is measured by multiplying the net profit before tax for the reporting period by the management's best estimate of the expected effective tax rate for the whole year and is fully recognized as tax expense for the current period.

Where tax expenses are recognized directly in equity items or other comprehensive profit and loss items, the temporary difference between the book amount of related assets and liabilities for financial reporting purposes and their tax basis is measured by the applicable tax rate when expected to be realized or settled.

(IV) Employee benefits

The defined welfare plan pension for the interim period is calculated on the basis of the actuarial determination of the pension cost rate on the reporting date of the previous fiscal year from the beginning of the year to the end of the current period, and adjusted for major market fluctuations, major reductions, liquidations or other major one-off events after the reporting date.

V. Major Sources of Uncertainty in Major Accounting Judgments, Estimates and Assumptions

Management must make judgments, estimates and assumptions when preparing this consolidated financial report in accordance with the preparation standards and IAS No.34 Interim Financial Report recognized by the FSC, which will affect the adoption of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from estimates.

When preparing the consolidated financial report, the major judgment and the main source of estimation uncertainty made by the management when adopting the accounting policies of the merged company are consistent with Note 5 to the consolidated financial report of 2022.

The accounting policies involved major judgments and has major impact on the amounts recognized in this consolidated financial report as followed:

Judgment on whether the invested company has substantial control

The merged company holds 15.04% of the voting shares of Green Solution Technology Co., Ltd. (hereinafter referred to as " Green Solution Technology"), and is the single largest shareholder. Although the remaining shares of Green Solution Technology are not concentrated in specific shareholders, the merged company still unable to obtain more than half of the directors of Green Solution Technology. So it has a major influence on Green Solution Technology.

VI. Description of Important Accounting Items

Except for the following, there is no significant difference between the description of important accounting items in this consolidated financial report and the consolidated financial report of 2022. For relevant information, please refer to Note 6 to the consolidated financial report of 2022.

(I) Cash and equivalent cash

	March 31, 2023	December 31, 2022	March 31, 2022
Cash on hand and petty cash	$ 254	140	168
Checks and demand deposits	1,048,945	1,201,303	1,091,341
	$ 1,049,199	**1,201,443**	**1,091,509**

(II) Financial assets measured at fair value through profit or loss

	March 31, 2023	December 31, 2022	March 31, 2022
Non-hedging derivative instruments			
Exchange transaction contract	**$ 1,469**	**317**	**10,343**

As at March 31, 2023, December 31 and March 31 of 2022 the details of derivative instruments of financial assets held for trading due to the non-application of hedge accounting are as follows:

March 31, 2023

Derivative financial commodities	Nominal principal (NT$ thousands)	Maturity date	Delivery rate
Exchange transaction contract- NT $ in/ US $ out	US$ 18,690	April 10, 2023~April 21, 2023	30.260~30.666

December 31, 2022

Derivative financial commodities	Nominal principal (NT$ thousands)	Maturity date	Delivery rate
Exchange transaction contract-NT$ in/US$ out	US$ 18,690	January 9, 2023~ January 17, 2023	30.440~30.924

March 31, 2022			
Derivative financial commodities	**Nominal principal (NT$ thousands)**	**Maturity date**	**Delivery rate**
Exchange transaction contract-US$ in/NT$ out	US$ 16,020	April 28, 2022~June 29, 2022	27.876~28.020

(III) Accounts receivable (including related parties)

	March 31, 2023	December 31, 2022	March 31, 2022
Accounts receivable	$ 810,388	738,371	1,019,530
Accounts receivable-Related parties	-	-	35,054
Less: allowance for losses	(946)	(898)	(1,270)
	$ 809,442	737,473	1,053,314

1. The merged company adopts a simplified approach to estimate the expected credit loss for all Accounts receivable(including related parties), i.e. using the expected credit loss during the duration. For this measurement purpose, these accounts receivable(including related parties) are grouped according to the common credit risk characteristics representing the customer's ability to pay all due amounts according to the contract terms , and have incorporated forward-looking information like macro economy and related industry has been included. An analysis of the expected credit losses of the merged company's accounts receivable(including related parties) is as follows:

	March 31, 2023		
	Book amount of accounts receivable(including related parties)	**Weighted average expected credit loss rate**	**Expected credit loss during allowance duration**
Not overdue	$ 809,123	0.1%~0.2%	927
1~30 days overdue	1,265	1%~2%	19
31~90 days overdue	-	10%~50%	-
91~180 days overdue	-	50%~70%	-
181~360 days overdue	-	100%	-
	$ 810,388		946

	December 31, 2022		
	Book amount of accounts receivable(including related parties)	**Weighted average expected credit loss rate**	**Expected credit loss during allowance duration**
Not overdue	$ 736,641	0.1%~0.2%	843
1~30 days overdue	1,408	1%~2%	15
31~90 days overdue	302	10%~50%	30
91~180 days overdue	20	50%~70%	10
181~360 days overdue	-	100%	-
	$ 738,371		898

	March 31, 2022		
	Book amount of accounts receivable(including related parties)	Weighted average expected credit loss rate	Expected credit loss during allowance duration
Not overdue	$ 1,051,758	0.1%~0.2%	1,231
1~30 days overdue	2,826	1%~2%	39
31~90 days overdue	-	10%~50%	-
91~180 days overdue	-	50%~70%	-
181~360 days overdue	-	100%	-
	$ 1,054,584		1,270

2. The statement of changes in allowance losses for Accounts receivable(including related parties) of the merged company is as follows:

	For the three-month periods ended March 31	
	2023	2022
Balance at beginning of period	$ 898	1,218
Impairment losses recognized	48	52
Balance at ending of period	$ 946	1,270

3. As of March 31, 2023, December 31 and March 31 of 2022, the Accounts receivable(including related parties) of the merged company has not been provided as pledge guarantee.

(IV) Inventory

	March 31, 2023	December 31, 2022	March 31, 2022
Raw materials	$ 51,414	63,895	60,766
Work in process and semi-finished goods	467,144	523,880	247,459
Finished goods and commodity	204,970	225,249	106,141
	$ 723,528	813,024	414,366

1. In addition to the cost of inventory sold, the composition of inventory-related expenses and losses recognized as cost of goods sold by the merged company is as follows:

	For the three-month periods ended March 31	
	2023	2022
Inventory depreciation loss	$ 25,237	5,745

2. As of March 31, 2023, December 31 and March 31 of 2022, the inventory of the merged company has not been provided as pledge guarantee.

(V) Investments using equity method

The investments of the merged company using the equity method on the reporting date are listed as follows:

	March 31, 2023	December 31, 2022	March 31, 2022
Affiliated enterprise	$ 148,754	148,647	79,778

1. The profits and losses of affiliated enterprises enjoyed by the merged company are listed as follows:

	For the three-month periods ended March 31	
	2023	2022
Net profit (loss)	$ (296)	2,199
Other comprehensive income	115	-
Comprehensive income	$ (181)	2,199

2. As of March 31, 2023, December 31 and March 31 of 2022, the investment of the merged company using the equity method has not been provided as pledge guarantee.

(VI) Property, plant and equipment

Details of changes in costs and accumulated depreciation of the merged company's property, plant and equipment are as follows:

	Land	Houses and building	Office equipment and other	Equipment to be inspected	Total
Cost:					
Balance on January 1, 2023	$ 161,823	114,728	111,196	5,173	392,920
Increase	-	-	1,442	290	1,732
Reclassified into (out)	-	-	14	(14)	-
Disposal	-	(275)	(1,909)	-	(2,184)
Influence of exchange rate changes	-	-	87	-	87
Balance on March 31, 2023	$ 161,823	114,453	110,830	5,449	392,555
Balance on January 1, 2022	$ 161,823	120,062	86,686	8,595	377,166
Increase	-	82	3,290	240	3,612
Reclassified into (out)	-	-	3,555	(3,555)	-
Disposal	-	(274)	(8,452)	-	(8,726)
Influence of exchange rate changes	-	102	616	-	718
Balance on March 31, 2022	$ 161,823	119,972	85,695	5,280	372,770
Accumulated depreciation:					
Balance on January 1, 2023	$ -	33,517	54,680	-	88,197
Depreciation in this year	-	726	5,229	-	5,955
Disposal	-	(275)	(1,909)	-	(2,184)
Influence of exchange rate changes	-	-	76	-	76
Balance on March 31, 2023	$ -	33,968	58,076	-	92,044

	Land	Houses and building	Office equipment and other	Equipment to be inspected	Total
Balance on January 1, 2022	$ -	36,682	50,050	-	86,732
Depreciation in this year	-	962	3,657	-	4,619
Disposal	-	(274)	(8,443)	-	(8,717)
Influence of exchange rate changes	-	101	535	-	636
Balance on March 31, 2022	$ -	37,471	45,799	-	83,270
Book amount:					
January 1, 2023	$ 161,823	81,211	56,516	5,173	304,723
March 31, 2023	$ 161,823	80,485	52,754	5,449	300,511
January 1, 2022	$ 161,823	83,380	36,636	8,595	290,434
March 31, 2022	$ 161,823	82,501	39,896	5,280	289,500

As of March 31, 2023, December 31 and March 31 of 2022, the merged Company's property, plant and equipment have been used as bank loan and financing limit guarantees. Please refer to Note 8 for details.

(VII) Right-of-use assets

	Houses and buildings
Book value:	
January 1, 2023	$ 4,664
March 31, 2023	$ 4,103
January 1, 2022	$ 4,710
March 31, 2022	$ 4,478

Between January 1 to March 31, 2023, and 2022, there were no significant recognition or reversals of increases, disposals or impairments of right-of-use assets of the merged Company's leased offices. Please refer to Note 12 for the depreciation amount for the current period; for other related information, please refer to Note 6(7) of the 2022 Consolidated Financial Report.

(VIII) Investing property

Investing property is an office building leased to a third party by a merged company under operating lease. The original irrevocable period for leased investing property is one to three years. Rental income of leased investing property is a fixed amount. Please refer to Note 6 (10) for relevant information.

	Land	Houses and building	Total
Book amount:			
Balance on January 1, 2023	$ 48,068	22,902	70,970
Balance on March 31, 2023	$ 48,068	22,750	70,818
Balance on January 1, 2022	$ 48,068	23,509	71,577
Balance on March 31, 2022	$ 48,068	23,357	71,425

1. Between January 1 to March 31, 2023, and 2022, there were no significant recognition or reversals of increases, disposals or impairments of the merged Company's investment properties. Please refer to Note 12 for the depreciation amount for the current period; for other related information, please refer to Note 6(8) of the 2022 Consolidated Financial Report.
2. There is no significant difference between the fair value of the investing property of the merged company and the information disclosed in Note 6 (8) of the consolidated financial report of 2022.

(IX) Lease liabilities

The book amount of leasing liabilities of the merged company are as follows:

	March 31, 2023	December 31, 2022	March 31, 2022
Current	$ 2,360	2,321	1,572
Non-current	$ 1,844	2,431	2,932

1. For maturity analysis, please refer to Note 6 (18) Financial Instruments.
2. The amounts recognized in profit or loss are as follows:

	For the three-month periods ended March 31	
	2023	2022
Interest expense on lease liabilities	$ 53	54
Rental charges for short-term leases and low-value assets	$ 257	365

3. The amounts recognized in the statement of cash flows are as follows:

	For the three-month periods ended March 31	
	2023	2022
Rental payments for operating activities	$ (257)	(365)
Interest payments on lease liabilities for operating activities	(53)	(54)
Repayment of lease principal for financing activities	(575)	(373)
Total cash outflow from leases	$ (885)	(792)

4. Lease of houses and buildings

The merged company leased the houses and buildings as office space with a lease period of normally three years.

5. Other leases

The merged company leased the employee dormitories, office equipment and parking space with a lease period of one to five years, and these leases are short-term or low-value target leases. The merged company chooses to apply the exemption provisions instead of recognizing its related right-of-use assets and lease liabilities.

(X) Operating lease

The merged company leases its investing property. Since almost all risks and rewards attached to the ownership of the underlying assets have not been transferred, these lease contracts are classified as operating leases. Please refer to Note 6 (8) for details of investing property. Maturity analysis of lease payments to report the total undiscounted lease payments to be collected in the future are listed in the following table:

	March 31, 2023	December 31, 2022	March 31, 2022
Less than 1 year	$ 2,890	2,870	2,636
1 to 2 years	2,863	2,857	3
2 to 3 years	2,619	2,857	-
3 to 4 years	-	476	-
4 to 5 years	-	-	-
More than 5 years	-	-	-
Total undiscounted payments	$ 8,372	9,060	2,639

(XI) Employee benefits

1. Determine the welfare plan

Since there were no major market fluctuations, major reductions, liquidations or other major one-off events after the end of the previous fiscal year, the merged company adopted the pension costs determined by actuarial calculations on December 31, 2022 and 2021 to measure and disclose the pension costs during the interim period.

	For the three-month periods ended March 31	
	2023	2022
Operating costs	$ 10	11
Selling expenses	7	7
Administrative expenses	82	84
Research and development expenses	10	10
	$ 109	112

2. Determine the allocation plan

The pension expenses under the merged Company's Defined Pension Contribution Plan are as follows. The merged Company's pension expenses have been transferred to the Labor Insurance Bureau. Pension expenses to other overseas subsidiaries included in the consolidated financial report have been allocated in accordance with local laws and regulations.

	For the three-month periods ended March 31	
	2023	**2022**
Operating costs	$ 456	469
Selling expenses	334	328
Administrative expenses	388	365
Research and development expenses	687	649
	$ 1,865	1,811

(XII) Tax

1. Details of tax expenses of the merged company are as follows:

	For the three-month periods ended March 31	
	2023	**2022**
Current tax expense	$ 10,415	36,963

2. The merged Company's tax expenses of equity have not been recognized in January 1 to March 31 of 2023 and 2022 directly.
3. The merged Company's tax expenses under other comprehensive profit and loss have not been recognized in January 1 to March 31 of 2023 and 2022.
4. The merged Company's profit-making enterprise tax settlement declaration has been approved by the tax collection authority as follows:

	Approved Year
The Company	**Has been approved to 2021**
Jinrong Investment	**Has been approved to 2021**

(XIII) Capital and other equity

Except for the following, there was no significant change in the capital and other equity of the company between January 1 to March 31 of 2023 and 2022. For relevant information, please refer to Note 6 (13) of the consolidated financial report of 2022.

1. Retained earnings

According to the Articles of Association of the Company, if there is any surplus in the Company's annual total final accounts, taxes shall be paid first to make up for the accumulated losses. The next 10% shall be the legal reserve (but the legal reserve shall not be paid when it reaches the paid-in capital of the Company) and the rest shall be listed or reversed according to law. If there is any surplus, and the surplus shall be distributed cumulatively with the previous year, the Board of Directors shall draw up a surplus distribution proposal and submit it to the shareholders' meeting for resolution to distribute dividends and bonuses. If the distribute dividends and bonuses of all or part of the dividends in the preceding paragraph is in the form of cash, the board of directors shall be authorized to make a resolution and shall be reported to the shareholders' meeting.

(2) Distribution of earnings

The Company's motion for earnings distribution of cash dividends for 2022 proposed by the Board of Directors on March 17, 2023, and proposed the amount of stock dividends for 2022 earnings distribution. The Company's motion for earnings distribution for 2021 proposed by the Board of Directors on March 18, 2022, other earnings distribution items were resolved by the shareholders' meeting on June 8, 2022, the dividends distributed to owners is as follows:

	2022		2021	
	Share allotment rate (yuan)	**Amount**	**Share allotment rate (yuan)**	**Amount**
Dividends to ordinary owners:				
Cash	$ 0.4	24,501	1.2	73,502
Stock	1.6	98,002	-	-
Total		$ 122,503		$ 73,502

(XIV) Earnings per share

The calculation of the merged company's basic earnings per share and diluted earnings per share is as follows:

	For the three-month periods ended March 31	
	2023	**2022**
Basic earnings per share:		
Current net profit attributable to the Company	$ 42,064	151,797
Weighted average number of ordinary shares in circulation(thousand shares)	61,252	61,252
Earnings per share (yuan)	$ 0.69	2.48
Dilute earnings per share:		
Current net profit attributable to the Company	$ 42,064	151,797
Weighted average number of ordinary shares in circulation(thousand shares)(dilution)	63,181	62,846
Earnings per share (yuan)	$ 0.67	2.42
Weighted average number of ordinary shares in circulation (thousand shares)(dilution):		
Weighted average number of ordinary shares in circulation (basic)	61,252	61,252
Impact of employee remuneration	1,929	1,594
Weighted average number of ordinary shares in circulation (dilution)	63,181	62,846

(XV) Revenue from customer contracts

1. Breakdown of income

	For the three-month periods ended March 31	
	2023	2022
Major regional markets:		
Taiwan	$ 95,229	185,474
Mainland China	488,140	572,586
Other countries	13,689	9,246
	$ 597,058	**767,306**
Main products:		
Power MOSFET	$ 593,680	720,797
Other	3,378	46,509
	$ 597,058	**767,306**

2. Contract balance

	March 31, 2023	December 31, 2022	March 31, 2022
Accounts receivable(including related parties)	$ 810,388	738,371	1,054,584
Less: allowance for losses	(946)	(898)	(1,270)
Total	**$ 809,442**	**737,473**	**1,053,314**
Contract liabilities	**$ 2,336**	**2,139**	**5,133**

Please refer to Note 6 (3) for details of disclosure of Accounts receivable(including related parties) and its impairment.

The beginning balance of contract liabilities on January 1, 2023 and 2022 was recognized as revenue from January 1 to March 31, 2023 and 2022 of NT$ 190 thousands and NT$ 3,820 thousands respectively.

The change in contract liabilities is mainly attributable to the difference between the time when the merged company transfers the product to the customer to satisfy the performance obligation and the time when the customer pays.

(XVI) Remuneration of employees, directors and supervisors

The company re-elected directors at the shareholders' meeting on June 8, 2022, and an audit committee established by independent directors will replace the supervisory authority, and the relevant provisions of the company's articles of association will be revised.

According to the Company’s revised Articles of Association, if there is any profit in the year, no less than 10% shall be allocated as employee remuneration and no more than 5% as director remuneration. The remuneration of employees is decided by the Board of Directors to be distributed in stock or cash, and the target of distribution includes employees of subordinate companies who meet certain conditions. However, if the Company still has accumulated losses, it shall reserve the compensation amount in advance, and then allocate the employee remuneration and the director remuneration according to the proportion mentioned in the preceding paragraph. According to the original Articles of Association of the Company, if there is any profit in the year, no less than 10% shall be allocated as employee remuneration and no more than 5% as supervisor remuneration. The remuneration of employees is decided by the Board of Directors to be distributed in stock or cash, and the target of distribution includes employees of subordinate companies who meet certain conditions. However, if the Company still has accumulated losses, it shall reserve the compensation amount in advance, and then allocate the employee remuneration and the supervisor remuneration according to the proportion mentioned in the preceding paragraph.

The estimated amounts of remuneration for employees of the Company from January 1 to March 31 of 2023 and 2022 were NT$ 8,957 thousands and NT$ 35,386 thousands respectively. The estimated amounts of remuneration for directors and supervisors were NT$ 2,559 thousands and NT$ 11,795 thousands respectively. This was estimated based on the amount of the company's net profit before tax deduction of employees', directors' and supervisors' compensation, multiplied by the distribution percentage of employees' compensation and directors' and supervisors' compensation stipulated in the Articles of Association. And report it as the operating cost or operating expense for that period. If there is any difference between the actual distribution and the estimated amount for the next year, the change shall be treated according to the accounting estimation and recognized as the profit and loss for the next year.

The Company’s estimated compensation for employees in 2022 and 2021 were NT$ 95,199 thousands and NT$ 76,395 thousands respectively, while the compensation for directors and supervisors were NT$ 27,200 thousands and NT$ 21,827 thousands respectively, which was no difference from the actual distribution. Relevant information can be found at the Public Information Platform.

(XVII) Non-operating income and expenditure

1. Other income

Details of other income of the merged company are as follows:

	For the three-month periods ended March 31	
	2023	**2022**
Other income	**$ 833**	**858**

2. Other profit or loss

Details of other profit or loss of the merged company are as follows:

	For the three-month periods ended March 31	
	2023	**2022**
Net profit (loss) of foreign currency exchange	$ (8,585)	46,572
Net profit of financial assets measured at fair value through profit or loss	1,469	10,343
Other	(149)	(361)
	$ (7,265)	56,554

3. Finance costs

Details of the finance costs of the merged company are as follows:

	For the three-month periods ended March 31	
	2023	**2022**
Interest expense	$ 53	54

(XVIII) Financial instruments

Except for the following, there is no significant change in the fair value of financial instruments of the merged company and the exposure to credit risk, liquidity risk and market risk due to financial instruments. Please refer to the note 6 (18) to the consolidated financial report for 2022 for relevant information.

1. Credit risk

(1) Credit Risk Exposure

The book amount on financial assets represents the maximum exposure to credit risk.

(2) Credit Risk Concentration

On March 31, 2023, December 31 and March 31 of 2022, the merged company received 53%, 53% and 43% of the total Accounts receivable from the top five sales customers respectively, thus causing the merged company to have a concentration of credit risks. In order to reduce credit risks, the merged company regularly and continuously evaluates the financial status of each of these customers and the recovery possibility of their accounts receivable. These customers have good profits and credit records in the past, and the merged company has not suffered any significant credit risk losses due to these customers during the reporting period.

2. Liquidity risk

The following table shows the contractual maturity of financial liabilities, including estimated interest but excluding the impact of net agreements.

Notes to Niko Semiconductor and Subsidiaries Consolidated Financial Statements (Continued)

	Book amount	Contracted cash flow	Within 6 months	6-12 months	1-2 years	2-5 years	More than 5 years
March 31, 2023							
Non-derivative financial liabilities							
Accounts payable (including related parties)	$ 241,348	241,348	241,348	-	-	-	-
Other payable	215,931	215,931	215,931	-	-	-	-
Lease liabilities	4,204	4,567	1,340	1,312	1,915	-	-
Deposits received	11	11	-	-	-	-	11
	$ 461,494	**461,857**	**458,619**	**1,312**	**1,915**	**-**	**11**
December 31, 2022							
Non-derivative financial liabilities							
Accounts payable (including related parties)	$ 432,524	432,524	432,524	-	-	-	-
Other payable	229,551	229,551	229,551	-	-	-	-
Lease liabilities	4,752	5,220	1,346	1,319	2,555	-	-
Deposits received	11	11	-	-	-	-	11
	$ 666,838	**667,306**	**663,421**	**1,319**	**2,555**	**-**	**11**
March 31, 2022							
Non-derivative financial liabilities							
Accounts payable (including related parties)	$ 359,050	359,050	359,050	-	-	-	-
Other payable	279,139	279,139	279,139	-	-	-	-
Lease liabilities	4,504	5,109	971	953	1,849	1,336	-
Deposits received	5,717	5,717	-	5,712	-	-	5
	$ 648,410	**649,015**	**639,160**	**6,665**	**1,849**	**1,336**	**5**

The merged Company does not expect the timing of cash flows for the maturity analysis will occur significantly earlier or the actual amounts will be significantly different.

The merged company's capital, working capital and bank financing amount are sufficient to fulfill all contractual obligations, so there is no liquidity risk due to the inability to raise funds to fulfill contractual obligations. In addition, the unused loan amount of the merged company on March 31, 2023, December 31 and March 31 of 2022 totaled NT$ 959,675 thousands, NT$ 962,665 thousands and NT$ 939,688 thousands respectively.

3. Market risk

(1) Exchange rate risk

The financial assets and liabilities of the merged company exposed to significant foreign currency exchange rate risks are as follows:

	March 31, 2023			December 31, 2022			March 31, 2022		
	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD
Financial assets									
Monetary items									
USD	$ 34,410	30.450	1,047,780	36,171	30.710	1,110,797	72,874	28.625	2,086,029
Financial liabilities									
Monetary items									
USD	8,102	30.450	246,706	14,456	30.710	443,944	12,680	28.625	362,954

The exchange rate risk of the merged company mainly comes from cash denominated in foreign currency and equivalent cash, accounts receivable, other receivables, accounts payable and other payables, etc. Foreign currency exchange gains and losses are generated during conversion. On March 31, 2023 and 2022, when NT$ depreciates or appreciates by 1% relative to US$, while all other factors remain unchanged, the net profit before tax for January 1 to March 31 of 2023 and 2022 will increase or decrease by NT$ 8,011 thousands and NT$ 17,231 thousands respectively. The two phases of analysis adopt the same basis.

The exchange rate information for the conversion gains and losses (including realized and unrealized) of the monetary items of the merged company into the functional currency NT$ (i.e. the expressive currency by the merged company) is as follows:

	For the three-month periods ended March 31			
	2023		2022	
Functional currency	**Exchange gains and losses**	**Average exchange rate**	**Exchange gains and losses**	**Average exchange rate**
NTD	$ (8,433)	1	46,661	1
RMB	(152)	4.441	(89)	4.406
	$ (8,585)		46,572	

4. Interest rate risk

The merged company has not undertaken the debt with floating interest rate, while the financial assets with floating interest rate are bank deposits. The cash flow risk arising from changes in market interest rate is not significant after assessment, so sensitivity analysis has not been conducted.

5. Fair value information

(1) Types and fair value of financial instruments

The book and fair value of the financial assets and financial liabilities of the merged company (including fair value grade information, but the book amount of financial instruments not measured at fair value is a reasonable approximation of fair value, and the lease liabilities are not required to disclose fair value information) are shown as follows:

	March 31, 2023				
		Fair value			
	Book amount	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss - Current	**$ 1,469**	-	-	1,469	1,469
Financial assets at amortized cost：					
Cash and equivalent cash	$ 1,049,199				
Accounts receivable (including related parties)	809,442				
Other receivable	15,169				
Refundable deposits	5,068				
Total	**$ 1,878,878**				
Financial liabilities at amortized cost：					
Accounts payable (including related parties)	$ 241,348				
Other payable	215,931				
Lease liabilities	4,204				
Deposits received	11				
Total	**$ 461,494**				

	December 31, 2022				
		Fair value			
	Book amount	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss - Current	**$ 317**	**-**	**-**	317	317
Financial assets at amortized cost：					
Cash and equivalent cash	$ 1,201,443				
Accounts receivable (including related parties)	737,473				
Other receivable	18,186				
Refundable deposits	7,568				
Total	**$ 1,964,670**				
Financial liabilities at amortized cost：					
Accounts payable (including related parties)	$ 432,524				
Other payable	229,551				
Lease liabilities	4,752				
Deposits received	11				
Total	**$ 666,838**				

	March 31, 2022				
		Fair value			
	Book amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss - Current	$ 10,343	-	-	10,343	10,343
Financial assets at amortized cost：					
Cash and equivalent cash	$ 1,091,509				
Accounts receivable (including related parties)	1,053,314				
Other receivable	14,659				
Refundable deposits	7,583				
Total	$ 2,167,065				
Financial liabilities at amortized cost：					
Accounts payable (including related parties)	$ 359,050				
Other payable	279,139				
Lease liabilities	4,504				
Deposits received	5,717				
Total	$ 648,410				

(2) Fair value evaluation technology for measuring financial instruments by fair value

The fair value of derivatives is calculated by public quotation. When a public quotation cannot be obtained, the fair value of the contract is calculated based on the spot exchange rate and the exchange points respectively on the respective expiration dates of the contract.

(3) The merged company did not have any fair value level transfer from January 1 to March 31, 2023 and 2022.

(4) List of changes in the Level 3

	Financial assets at fair value through profit or loss
January 1, 2023	$ 317
Purchase/disposal/settlement	(317)
Recognized in profit or loss	1,469
March 31, 2023	$ 1,469
January 1, 2022	$ (1,909)
Purchase/disposal/settlement	1,909
Recognized in profit or loss	10,343
March 31, 2022	$ 10,343

The above total profits or losses are reported in series as “Other profits and losses”. Among them, the assets held as at March 31, 2023 and 2022 are as follows:

	March 31, 2023	March 31, 2022
Total profits or losses		
Recognized in profit or loss (reported in “Other profits and losses”)	$ 1,469	10,343

(5) Quantitative information on fair value measurement of significant unobservable input values (Level 3)

The fair value measurement of the merged company is classified into level 3 of financial assets at fair value through profit or loss - derivative financial instruments. This source of fair value is a third party quotation, so it is not intended to disclose sensitivity analysis of significant unobservable input values.

(XIX) Financial risk management

The financial risk management objectives and policies of the merged company have not changed significantly from those disclosed in Note 6 (19) of the consolidated financial report of 2022.

(XX) Capital management

The capital management objectives, policies and procedures of the merged company are consistent with those disclosed in the consolidated financial report of 2022. In addition, there is no significant change in the aggregate quantitative data of capital management items and those disclosed in the consolidated financial report of 2022. Please refer to note 6(20) to consolidated financial report of 2022 for relevant information.

(XXI) Changes in liabilities from financial activities

Adjustments to changes in liabilities from financial activities are shown in the following table:

			Changes of non-cash		
	January 1, 2023	Cash flows	Interest expense	Exchange rate changes	March 31, 2023
Lease liabilities	$ 4,752	(575)	53	(26)	4,204
Deposits received	11	-	-	-	11
Total liabilities from financial activities	$ 4,763	(575)	53	(26)	4,215

			Changes of non-cash		
	January 1, 2022	Cash flows	Interest expense	Exchange rate changes	March 31, 2022
Lease liabilities	$ 4,710	(373)	54	113	4,504
Deposits received	5,704	-	-	13	5,717
Total liabilities from financial activities	$ 10,414	(373)	54	126	10,221

VII. Related Party Transactions

(I) Name and relationship of related parties

During the period covered by this consolidated financial report, the following related parties had transactions with the merged company:

Name of related party	Relations with merged company
Cai Feng Investments Co., Ltd. (Cai Feng Investments)	Substantive parties
Super Group Semiconductor Co., Ltd. (Super Group Semiconductor)	Affiliated enterprise(Note)
Green Solution Technology Co., Ltd. (Green Solution Technology)	Affiliated enterprise
Wuxi U-NIKC Semiconductor Corp., Ltd. (Wuxi U-NIKC Semiconductor)	Affiliated enterprise (Green Solution Technology's subsidiaries)
Wuxi U-NIKC Semiconductor (Hong Kong) Corp., Ltd. (Wuxi U-NIKC Semiconductor (Hong Kong)	〃
Chang Kuan Investments Co., Ltd. (Chang Kuan Investments)	Its chairman is the same person as the company

Note: Super Group Semiconductor was substantive parties of the merged company. Since the merged company obtained 28.57% of its shares on September 30, 2022, it became an affiliated enterprise of the merged company.

(II) Major transactions with related parties

1. Sale to related parties

The merged company's sales amount to related parties and its outstanding balance are as follows:

	Sales		Accounts receivable from related parties		
	For the three-month periods ended March 31		March 31,	December 31,	March 31,
	2023	2022	2023	2022	2022
Affiliated enterprises:					
Other Affiliated enterprises	$ -	32,452	-	-	35,054
Less: allowance for losses	-	-	-	-	(70)
	$ -	32,452	-	-	34,984

There is no significant difference between the sales conditions of the merged company and the general sales price. From January 1 to March 31, 2023 and 2022, the payment conditions were 90 days for monthly close, and the average customer was about 30 days for monthly close to 120 days for the next monthly close.

The merged company charged trial production fees of new products from other Affiliated enterprise. As of March 31 of 2022, the unearned revenue has been NT$ 2,726 thousands respectively under other current liabilities. None on March 31, 2023 and December 31, 2022.

2. Purchase from related parties

The purchase amount and outstanding balance of the merged company from related parties are as follows:

	Purchase		Accounts payable		
	For the three-month periods ended March 31		March 31,	December 31,	March 31,
	2023	2022	2023	2022	2022
Affiliated enterprises:					
Other affiliated enterprises	$ 993	2,469	251	66	635

In order to provide customers with a complete power management plan, the merged company purchases customized products from related parties. There is no competitive purchase price of the products from the ordinary manufactures. The payment terms from January 1 to March 31, 2023 and 2022 were 30 days for monthly close, while the payment terms of ordinary manufacturers are about 30 days to 90 days for monthly close.

3. Purchase labor services from related parties

	Transaction amount		Other payable		
	For the three-month periods ended March 31		March 31,	December 31, 2022	March 31,
	2023	2022	2023		2022
Other related parties:					
Super Group Semiconductor - Product development project fees	$ 3,400	1,500	3,570	6,615	1,575
Super Group Semiconductor - Product royalty fees	9,153	10,538	2,760	7,141	4,476
	$ 12,553	12,038	6,330	13,756	6,051

As of March 31, 2023, December 31 and March 31 of 2022, the new product development contracts and outsourcing design contracts signed by the merged company and its related parties have not yet been recognized due to the failure to reach the agreed development and design stage. Please refer to Note 9 for details.

4. Rental income

Rental income of the merged company arising from leasing offices to related parties is as follows:

	Transaction amount		Other receivable		
	For the three-month periods ended March 31		March 31,	December 31, 2022	March 31,
	2023	2022	2023		2022
Affiliated enterprises:					
Green Solution Technology	$ 714	714	250	250	250
Other related parties:					
Other related parties	9	4	32	23	15
	$ 723	718	282	273	265

The merged company collects rent according to the contract, and the relevant rent is determined by negotiation between the two parties.

(III) Main management personnel transactions

Remuneration for main management personnel includes:

	For the three-month periods ended March 31, 2023	2022
Short-term employee welfare	$ 5,830	13,114
Post-retirement welfare	109	112
Resignation welfare	-	-
Other long-term welfare	-	-
Share-based payment	-	-
	$ 5,939	13,226

VIII. Pledged Assets

Details of the book value of the assets provided by the merged company as collateral are as follows:

Assets name	Pledge guarantee target	March 31, 2023	December 31, 2022	March 31, 2022
Property, plant and equipment - Land	Bank loan	97,394	97,394	97,394
- Houses and buildings	〃	45,997	46,304	47,226
Investing property - Land	〃	48,068	48,068	48,068
- Houses and buildings	〃	22,750	22,902	23,357
		$ 214,209	214,668	216,045

IX. Major Contingent Liabilities and Unrecognized Contractual Commitments

(1) The amount of guarantee notes issued by the merged company to the supplier as guarantee for payment of the goods is as follows:

	March 31, 2023	December 31, 2022	March 31, 2022
Guaranteed notes	$ -	-	10,000

(II) The amount of guaranteed promissory notes issued by the merged company as a result of signing loan limit and financial commodity trading limit with financial institutions is as follows.

	March 31, 2023	December 31, 2022	March 31, 2022
Loan limit and financial commodities trading limit	$ 1,053,598	1,057,121	1,020,281

(III) As of March 31, 2023, December 31 and March 31 of 2022, the amounts of new product development contracts and outsourcing design contracts signed by the merged company that have not yet reached the agreed development and design stage and have not yet applied to the merged company are NT$ 32,200 thousands, NT$ 34,600 thousands and NT$ 29,500 thousands respectively; In addition, the merged company agreed in the new product development contract that when the product enters the mass production stage, it shall pay the royalty fee according to the relevant wafer purchase quantity and the agreed price.

(IV) The merged company signed a capacity guarantee purchase contract with the supplier on May 30, 2018, and due to the agreement on the minimum purchase amount, the deposit amount shall be paid. As of March 31, 2023, December 31 and March 31 of 2022, the deposit amount has been NT$ 5,000 thousands, NT$ 7,500 thousands and NT$ 7,500 thousands respectively under other current assets and other non-current assets.

(V) The merged company signed a capacity guarantee purchase contract with the supplier on May 7, 2021, November 30, 2021, and January 28, 2022, and due to the agreement on the purchase amount, the amount shall be paid in advance. As of March 31, 2023, December 31 and March 31 of 2022, the prepaid amount has been NT$ 86,364 thousands, NT$ 88,423 thousands and NT$ 95,730 thousands respectively under other current assets and other non-current assets.

X. Major disaster losses: None.

XI. Major post-date events: None.

XII. Other

The functions of employee benefits, depreciation, depletion and amortization expenses are summarized as follows:

Function / Quality	For the three-month periods ended March 31, 2023			For the three-month periods ended March 31, 2022		
	Attributable to operating costs	**Attributable to operating expenses**	**Total**	**Attributable to operating costs**	**Attributable to operating expenses**	**Total**
Staff welfare expenses						
Salary expense	9,919	36,035	45,954	14,469	66,509	80,978
Labor and health insurance expenses	934	2,552	3,486	1,040	2,349	3,389
Pension expenses	466	1,508	1,974	480	1,443	1,923
Other employee welfare expenses	546	1,267	1,813	614	1,374	1,988
Depreciation expense	2,115	4,579	6,694	1,341	3,828	5,169
Amortization expense	-	152	152	-	54	54

XIII. Note to disclosure

(I) Information on major transactions

Relevant information on major transactions to be disclosed by the merged company from January 1 to March 31 of 2023 in accordance with the preparation standards is as follows:

1. Loan of funds to others: None.
2. Endorsement and guarantee for others: None.
3. Holding of securities at the end of the period (excluding investment subsidiaries, affiliated enterprises and equity joint ventures): None.
4. Cumulative purchase or sale of the same securities amounts to NT$ 300 million or more than 20% of the paid-in capital: None.
5. The amount of property acquired amounts to NT$ 300 million or more than 20% of the paid-in capital: None.
6. The amount of property disposed of amounts to NT$ 300 million or more than 20% of the paid-in capital: None.
7. Where the amount of purchases and sales to related parties amounts to NT$100 million or more than 20% of the paid-in capital: None.
8. Receivables from related parties amount to NT$ 100 million or more than 20% of paid-in capital: None.
9. Engaging in derivative transactions: Please refer to note 6 (2) for details.
10. Business relations and important transactions between parent and subsidiary companies:

No.	Name of trader	Transaction object	Relations with traders	Transaction from January 1 to March 31, 2023			
				Item	Amount	Transaction condition	Ratio to consolidated total operating income or total assets
0	The Company	Power Up Tech Co., Ltd.	Transactions between parent company and subsidiary	Operating expenses	6,563	Before the 25th of the following month	1.10%
0	〃	〃	Transactions between parent company and subsidiary	Other payable	944	〃	0.03%
1	Power Up Tech Co. Ltd.	Wuxi Super GEM Microelectronics Co., Ltd.	Inter-subsidiary transactions	Operating costs	6,381	〃	1.07%
1	〃	〃	Inter-subsidiary transactions	Other payable	914	〃	0.03%

Note: Related transactions have been written off when preparing the consolidated financial report.

(II) Information related to reinvestment:

Information on the Company's reinvestments from January 1 to March 31of 2023 is as follows (excluding mainland China invested companies):

Unit: NT$ thousands/share

Investing company Name	Invested company Name	Area	Major business Item	Original investment amount At end of current period	Original investment amount End of last year	Final holding Shares	Final holding Ratio	Final holding Book amount	Invested company Current profit and loss	Current recognized Investment profit and loss	Note
The Company	Jinrong Investment Co., Ltd.	Taiwan	Holding company	100,000	100,000	10,000,000	100.00%	155,404	(333)	(301)	Note 1
〃	Power Up Tech Co., Ltd.	Samoa	Holding company	30,744	30,744	1,930,000	100.00%	42,441	614	614	〃
Jinrong Investment Co., Ltd.	Green Solution Technology Co., Ltd.	Taiwan	Manufacturing and Product Design of Electronic Components	48,875	48,875	4,511,514	15.04%	74,991	(8,157)	(1,227)	Note 2
〃	Super Group Semiconductor	Taiwan	Integrated Circuit Design Service, Manufacturing	45,000	45,000	1,000,000	28.57%	73,763	3,145	899	〃

Note 1: The Company's subsidiary. It has been written off when preparing the consolidated financial report.

Note 2: Jinrong Investment's affiliated enterprise.

(III) Information on Mainland China Investment:

1. Relevant information such as the name and major business items of the invested company in mainland China:

Unit: NT$ thousands

Name of mainland Invested Company	Major business items	Paid-in capital	Investing mode	Accumulated investment amount remitted from Taiwan at beginning of current period	Amount of investment remitted or recovered in current period: remitted	Amount of investment remitted or recovered in current period: recovered	Accumulated investment amount remitted from Taiwan at end of current period	Invested company Current profit and loss	Shareholding ratio of Company's direct or indirect investment	Investment profits and losses recognized for current period	Book value of final investment	Remitted back investment income as of end of current period
Wuxi Super GEM Microelectronics Co., Ltd.	Metal oxide semiconductor manufacturing, development and sales business, product quality monitoring and testing services; Selling self-produced products	33,966	Note 1	61,463	-	-	61,463	697	100.00%	697	11,818	-

Note 1: Indirect investment through third place Power Up Tech Co., Ltd.

Note 2；The investment industry above has been written off when preparing the consolidated financial report.

2. Limit of investment in mainland region:

Accumulated investment remitted from Taiwan to mainland region at end of current period	Investment amount approved by MOEAIC	Investment limit in mainland regulated by MOEAIC
61,463	61,463	1,615,645

3. Major transactions with mainland invested companies:

From January 1 to March 31 of 2023, the direct or indirect major transactions between the merged company and mainland invested companies, Please refer to note 13(1) "Business Relationships and Important Transactions between Parent and Subsidiaries" for details. The above transaction has been written off when preparing the consolidated financial report.

(IV) Information on Major Shareholders:

Shares Name of major shareholder	Holding share	Holding proportion
Liangjia Investments Co., Ltd.	3,345,257	5.46%

XIV. Department Information

(I) General information

The main revenue of the merged company comes from the sales of power MOSFET, and the main operating decision-makers of the merged company use the overall operating results as the basis for evaluating performance. According to this, the merged company is a single operating department, and the operating department information of January 1 to March 31 of 2023 and 2022 is consistent with the consolidated financial report information.

(II) Information on department profits and losses, department assets, and their measurement basis and reconciliation shall be reported.

Information on department profit and loss, department assets and department liabilities of the merged company is consistent with the consolidated financial report. Please refer to the consolidated balance sheet and consolidated income statement for details.