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NIKO SEMICONDUCTOR CO., LTD. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
With Independent Auditors' Review Report
for the six months ended June 30, 2025 and 2024

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The independent auditors' review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' review report and consolidated financial statements, the Chinese version shall prevail.

Table of contents

Contents	Page
1. Independent Auditors' Review Report	1
2. Consolidated Balance Sheets	3
3. Consolidated Statements of Comprehensive Income	4
4. Consolidated Statements of Changes in Equity	5
5. Consolidated Statements of Cash Flows	6
6. Notes to the Consolidated Financial Statements	
(1) Company history	7
(2) Approval date and procedures of the consolidated financial statements	7
(3) New standards, amendments and interpretations adopted	7
(4) Summary of material accounting policies	9
(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty	11
(6) Explanation of significant accounts	11
(7) Related-party transactions	33
(8) Pledged assets	35
(9) Significant commitments and contingencies	36
(10) Losses Due to Major Disasters	36
(11) Subsequent Events	36
(12) Other	37
(13) Other disclosures	
(a) Information on significant transactions	37
(b) Information on investees	38
(c) Information on investment in mainland China	38
(14) Segment information	39

Independent Auditors' Review Report

To the Board of Directors of Niko Semiconductor Co., Ltd.:

Introduction

We have reviewed the accompanying consolidated balance sheets of Niko Semiconductor Co., Ltd. (“ the Company”) and its subsidiaries (“ the Group”) as of June 30, 2025 and 2024, the related consolidated statements of comprehensive income for the three and six months ended June 30, 2025 and 2024, as well as the changes in equity and cash flows for the six months ended June 30, 2025 and 2024, and notes to the consolidated financial statements, including a summary of significant accounting policies. The management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standards (“ IASs”) 34, “ Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the Basis for Qualified Conclusion paragraph, we conducted our reviews in accordance with the Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” of the Republic of China. A review of the consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing of the Republic of China and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As stated in note 4 (2), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect the total assets amounting to NT\$ 587,750 thousand and NT\$ 269,551 thousand, constituting 15.26% and 7.53% of the consolidated total assets; and the total liabilities amounting to NT\$ 30,272 thousand and NT\$ 3,333 thousand, constituting 5.08% and 0.52% of the consolidated total liabilities as of June 30, 2025 and 2024, respectively; as well as the total comprehensive income amounting to NT\$ 7,438 thousand, NT\$ 8,657 thousand, NT\$ 11,000 thousand and NT\$ 17,736 thousand, constituting 12.54%, 17.05%, 9.39% and 17.63% of the consolidated comprehensive income for the three and six months ended June 30, 2025 and 2024, respectively.

Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and equity accounted investee companies described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of June 30, 2025 and 2024, and of its consolidated financial performance and its consolidated cash flows for the three and six months ended June 30, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IASs 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the audit resulting in this independent auditors’ review report are HUNG-WEN FU and JUN-WEI ZHUANG.

KPMG

Taipei, Taiwan (Republic of China)
August 8, 2025

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated statement of financial position, financial performance and its cash flows in accordance with the 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 accepted and applied in the Republic of China.

The auditors’ review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language auditors’ review report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)
NIKO SEMICONDUCTOR CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

June 30, 2025, December 31 and June 30, 2024

(Expressed in Thousands of New Taiwan Dollars)

Assets		June 30, 2025		December 31, 2024		June 30, 2024		Liabilities and equity		June 30, 2025		December 31, 2024		June 30, 2024			
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%		
Current assets:								Current liabilities:									
1100	Cash and cash equivalent (Note 6(1))	\$	1,787,181	46	1,546,015	41	1,510,593	42	2120	Current financial liabilities at fair value through profit or loss (note 6(2))	\$	-	-	2,729	-	1,128	-
1110	Current financial assets at fair value through profit or loss (notes 6(2))		2,954	-	-	-	-	-	2170	Accounts payable		311,428	8	344,440	9	408,369	11
1170	Accounts receivable, net (notes 6(3) and (18))		829,167	22	867,106	23	705,610	20	2200	Other payables (including related parties) (note 7)		203,696	5	150,546	4	202,247	6
1180	Accounts receivable from related parties, net (notes 6(3), (18) and 7)		438	-	-	-	1,504	-	2230	Current tax liabilities		32,959	1	15,385	1	26,857	1
1200	Other receivables (including related parties) (note 7)		15,367	-	17,778	-	15,534	-	2250	Current provisions (notes 6(12) and 9)		30,451	1	38,901	1	-	-
130X	Inventories (note 6(4))		586,733	15	678,281	18	679,766	19	2280	Current lease liabilities (note 6(11))		3,646	-	3,544	-	1,656	-
1470	Other current assets (notes 6(1), (8) and 9)		21,675	1	20,273	1	23,607	1	2300	Other current liabilities		1,952	-	1,652	-	1,419	-
Total current assets			3,243,515	84	3,129,453	83	2,936,614	82	Total current liabilities			584,132	15	557,197	15	641,676	18
Non-current assets:								Non-Current liabilities:									
1550	Investments accounted for using equity method (note 6(5))		91,897	2	89,955	2	184,264	5	2580	Non-current lease liabilities (note 6(11))		3,576	-	5,808	-	712	-
1600	Property, plant and equipment (notes 6(8) and 8)		363,424	10	367,940	10	313,265	9	2600	Other non-current liabilities		7,806	-	7,869	-	2,236	-
1755	Right-of-use assets (note 6(9))		7,153	-	9,570	-	2,297	-	Total non-current liabilities			11,382	-	13,677	-	2,948	-
1760	Investment property (notes 6(10) and 8)		69,453	2	69,756	2	70,060	2	Total liabilities			595,514	15	570,874	15	644,624	18
1840	Deferred tax assets		20,656	1	20,706	1	14,786	-	Equity attributable to owners of parent:								
1900	Other non-current assets (notes 9)		55,015	1	62,041	2	58,248	2	3110	Ordinary shares		810,000	21	810,000	22	710,518	20
Total non-current assets			607,598	16	619,968	17	642,920	18	3150	Stock dividend to be distributed (note 6(16) and 11)		90,000	2	-	-	99,482	3
									3200	Capital surplus		674,954	18	674,954	18	630,512	18
									3310	Legal reserve		287,605	7	267,337	7	267,337	7
									3320	Special reserve		2,265	-	468	-	468	-
									3350	Unappropriated retained earnings (note 6(16))		1,293,277	34	1,329,129	35	1,218,014	34
									3400	Other equity interest		(3,128)	-	(2,265)	-	8,579	-
									Total equity attributable to owners of parent:			3,154,973	82	3,079,623	82	2,934,910	82
									36XX	Non-controlling interests (note 6(7))		100,626	3	98,924	3	-	-
									Total equity			3,255,599	85	3,178,547	85	2,934,910	82
Total assets		\$	3,851,113	100	3,749,421	100	3,579,534	100	Total liabilities and equity		\$	3,851,113	100	3,749,421	100	3,579,534	100

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
NIKO SEMICONDUCTOR CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the three and six months ended June 30, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

		For the three months ended June 30				For the six months ended June 30			
		2025		2024		2025		2024	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenue (Note 6(18) and 7)	\$ 698,341	100	590,594	100	1,327,955	100	1,114,191	100
5000	Operating costs (Note 6(4),(14),(19),7 and 12)	<u>514,601</u>	<u>74</u>	<u>434,127</u>	<u>74</u>	<u>967,807</u>	<u>73</u>	<u>820,436</u>	<u>74</u>
	Gross profits from operating	<u>183,740</u>	<u>26</u>	<u>156,467</u>	<u>26</u>	<u>360,148</u>	<u>27</u>	<u>293,755</u>	<u>26</u>
	Operating expenses (Note 6(3), (11),(14), (19), 7 and 12):								
6100	Selling expenses	25,781	4	23,871	4	48,734	3	44,832	4
6200	Administrative expenses	31,265	4	27,053	4	63,033	5	54,054	5
6300	Research and development expenses	55,013	8	50,953	9	107,541	8	93,937	8
6450	Expected credit loss (gain on reversal)	<u>431</u>	<u>-</u>	<u>(32)</u>	<u>-</u>	<u>214</u>	<u>-</u>	<u>(53)</u>	<u>-</u>
	Total operating expenses	<u>112,490</u>	<u>16</u>	<u>101,845</u>	<u>17</u>	<u>219,522</u>	<u>16</u>	<u>192,770</u>	<u>17</u>
	Net operating profits	<u>71,250</u>	<u>10</u>	<u>54,622</u>	<u>9</u>	<u>140,626</u>	<u>11</u>	<u>100,985</u>	<u>9</u>
	Non-operating income and expenses:								
7000	Interest income (note 6(20))	5,713	1	4,786	1	5,893	1	4,941	1
7010	Other income (Note 6(20) and 7)	4,281	-	732	-	5,138	-	1,838	-
7020	Other gains and losses (Note 6(5) and (20))	(15,039)	(2)	(817)	-	(12,381)	(1)	5,762	1
7050	Financial costs (Note 6(11) and (20))	(63)	-	(24)	-	(136)	-	(55)	-
7060	Share of profit (loss) of associates accounted for using equity method (Note 6(5))	<u>(126)</u>	<u>-</u>	<u>3,158</u>	<u>1</u>	<u>2,819</u>	<u>-</u>	<u>5,003</u>	<u>-</u>
	Total non-operating income and expenses	<u>(5,234)</u>	<u>(1)</u>	<u>7,835</u>	<u>2</u>	<u>1,333</u>	<u>-</u>	<u>17,489</u>	<u>2</u>
	Profit before tax	66,016	9	62,457	11	141,959	11	118,474	11
7950	Less: Income tax expenses (Note 6(15))	<u>16,379</u>	<u>2</u>	<u>15,624</u>	<u>3</u>	<u>31,644</u>	<u>3</u>	<u>26,912</u>	<u>3</u>
	Profit	<u>49,637</u>	<u>7</u>	<u>46,833</u>	<u>8</u>	<u>110,315</u>	<u>8</u>	<u>91,562</u>	<u>8</u>
8300	Other comprehensive income (loss):								
8310	Items that may not be reclassified to profit or loss:								
8320	Share of other comprehensive income of associates accounted for using equity method (Note 6(5))	-	-	3,815	1	-	-	8,658	1
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Item that will not be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>3,815</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>8,658</u>	<u>1</u>
8360	Items that may be reclassified to profit or loss:								
8361	Exchange differences on translation of foreign financial statements	(1,152)	-	121	-	(863)	-	389	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Item that will be reclassified to profit or loss	<u>(1,152)</u>	<u>-</u>	<u>121</u>	<u>-</u>	<u>(863)</u>	<u>-</u>	<u>389</u>	<u>-</u>
8300	Other comprehensive income	<u>(1,152)</u>	<u>-</u>	<u>3,936</u>	<u>1</u>	<u>(863)</u>	<u>-</u>	<u>9,047</u>	<u>1</u>
	Total comprehensive income	<u>\$ 48,485</u>	<u>7</u>	<u>50,769</u>	<u>9</u>	<u>109,452</u>	<u>8</u>	<u>100,609</u>	<u>9</u>
	Profit, attributable to:								
	Owners of parent	\$ 48,474	7	46,833	8	108,613	8	91,562	8
	Non-controlling interests (note 6(7))	<u>1,163</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,702</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>\$ 49,637</u>	<u>7</u>	<u>46,833</u>	<u>8</u>	<u>110,315</u>	<u>8</u>	<u>91,562</u>	<u>8</u>
	Comprehensive income attributable to:								
	Owners of parent	\$ 47,322	7	50,769	9	107,750	8	100,609	9
	Non-controlling interests (note 6(7))	<u>1,163</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,702</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>\$ 48,485</u>	<u>7</u>	<u>50,769</u>	<u>9</u>	<u>109,452</u>	<u>8</u>	<u>100,609</u>	<u>9</u>
	Earnings per share (Note 6(17))								
	Basic earnings per share (NT dollars)	<u>\$ 0.60</u>		<u>0.58</u>		<u>1.34</u>		<u>1.13</u>	
	Diluted earnings per share (NT dollars)	<u>\$ 0.59</u>		<u>0.58</u>		<u>1.32</u>		<u>1.12</u>	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

NIKO SEMICONDUCTOR CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the six months ended June 30, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent company						Other Equity Interest		Total equity attributable to owners of parent	Non-controlling interests	Total Equity
	Ordinary shares	Stock dividend to be distributed	Capital surplus	Retained Earnings			Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets at fair value through other comprehensive income			
				Legal reserve	Special reserve	Unappropriated retained earnings					
Balance on January 1, 2024	\$ 710,518	-	630,512	246,390	3,288	1,272,482	(2,811)	2,343	2,862,722	-	2,862,722
Profit	-	-	-	-	-	91,562	-	-	91,562	-	91,562
Other comprehensive income	-	-	-	-	-	-	389	8,658	9,047	-	9,047
Total comprehensive income	-	-	-	-	-	91,562	389	8,658	100,609	-	100,609
Appropriation and distribution of retained earnings:											
Legal reserves	-	-	-	20,947	-	(20,947)	-	-	-	-	-
Special reserves	-	-	-	-	(2,820)	2,820	-	-	-	-	-
Cash dividends of ordinary stock	-	-	-	-	-	(28,421)	-	-	(28,421)	-	(28,421)
Stock dividends of ordinary stock	-	99,482	-	-	-	(99,482)	-	-	-	-	-
Balance on June 30, 2024	\$ 710,518	99,482	630,512	267,337	468	1,218,014	(2,422)	11,001	2,934,910	-	2,934,910
Balance on January 1, 2025	\$ 810,000	-	674,954	267,337	468	1,329,129	(2,265)	-	3,079,623	98,924	3,178,547
Profit	-	-	-	-	-	108,613	-	-	108,613	1,702	110,315
Other comprehensive income	-	-	-	-	-	-	(863)	-	(863)	-	(863)
Total comprehensive income	-	-	-	-	-	108,613	(863)	-	107,750	1,702	109,452
Appropriation and distribution of retained earnings:											
Legal reserves	-	-	-	20,268	-	(20,268)	-	-	-	-	-
Special reserves	-	-	-	-	1,797	(1,797)	-	-	-	-	-
Cash dividends of ordinary stock	-	-	-	-	-	(32,400)	-	-	(32,400)	-	(32,400)
Stock dividends of ordinary stock	-	90,000	-	-	-	(90,000)	-	-	-	-	-
Balance on June 30, 2025	\$ 810,000	90,000	674,954	287,605	2,265	1,293,277	(3,128)	-	3,154,973	100,626	3,255,599

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

NIKO SEMICONDUCTOR CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the six months ended June 30, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	For the six months ended June 30	
	2025	2024
Cash flows from (used in) operating activities:		
Profit before tax	\$ 141,959	118,474
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	22,933	15,194
Amortization expense	2,829	1,259
Expected credit loss (gain on reversal)	214	(53)
Interest expense	136	55
Interest income	(5,893)	(4,941)
Shares of loss (profit) of associates accounted for using equity method	(2,819)	(5,003)
Loss (gain) on inventory valuation	9,636	(8,638)
Gain on disposal of investments	(23)	-
Total adjustments to reconcile profit	27,043	(2,127)
Changes in operating assets and liabilities:		
Financial assets at fair value through profit or loss	(2,954)	7,112
Accounts receivable (including related parties)	32,459	41,527
Other receivables (including related parties)	2,411	1,564
Inventories	81,912	50,743
Other current assets	(362)	1,975
Long term prepaid expenses	4,117	7,225
Changes in operating assets	117,583	110,146
Financial liabilities at fair value through profit or loss	(2,729)	1,128
Accounts payable	(33,012)	(86,877)
Other payables (including related parties)	20,736	25,924
Other current liabilities	300	282
Net defined benefit liability	-	(124)
Changes in operating liabilities	(14,705)	(59,667)
Total changes in operating assets and liabilities	102,878	50,479
Total adjustments	129,921	48,352
Cash inflow generated from operations	271,880	166,826
Interest received	5,893	4,941
Interest paid	(136)	(55)
Income taxes paid	(14,069)	(21,327)
Net cash flows from operating activities	263,568	150,385
Cash flows from (used in) investing activities:		
Proceeds from disposal of investments accounted for using equity method	900	-
Acquisition of property, plant and equipment	(16,375)	(12,954)
Decrease in refundable deposits	2,670	2,500
Acquisition of intangible assets	(120)	(5,768)
Increase in of restricted assets	(3,540)	-
Net cash flows from (used in) investing activities	(16,465)	(16,222)
Cash flows from (used in) financing activities:		
Decrease in guarantee deposits	-	(11)
Payment of lease liabilities	(1,614)	(1,357)
Net cash flows used in financing activities	(1,614)	(1,368)
Effect of exchange rate changes on cash and cash equivalents	(4,323)	344
Net increase in cash and cash equivalents	241,166	133,139
Cash and cash equivalents at beginning of period	1,546,015	1,377,454
Cash and cash equivalents at end of period	\$ 1,787,181	1,510,593

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
NIKO SEMICONDUCTOR CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

June 30, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

1. Company history

Niko Semiconductor Co., Ltd. (“the Company”), formerly called Super GEM Co., Ltd., was incorporated on October 8, 1998 under the approval of Ministry of Economic Affairs, Republic of China(“R.O.C.”). The Company changed the name to Niko Semiconductor Co., Ltd. on April, 2001. The address of the Company is 12th floor, No.368, Gongjian Road, Xizhi District, New Taipei City, Taiwan (R.O.C.). The Company and its subsidiaries (“the Group”)’ s 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. The Company's shares have been listed and traded on the Taipei Exchange (“TPEX”) since August 2007.

2. Approval date and procedures of the consolidated financial statements

The consolidated financial statements were authorized for issuance by the Board of Directors on August 8, 2025.

3. New standards, amendments and interpretations adopted

- (1) The impact of the International Financial Reporting Standards (“IFRS”) endorsed by the Financial Supervisory Commission, R.O.C. (“FSC”) which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2025:

- Amendments to IAS21 “Lack of Exchangeability”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” Guidance on the application of section 4.1 of IFRS 9 and the related disclosure requirements of IFRS 7

- (2) The impact of IFRS Accounting Standards endorsed by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2026, would not have a significant impact on its consolidated financial statements:

- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”
- Annual Improvements to IFRS Accounting Standards
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

- (3) The impact of IFRS Accounting Standards issued by International Accounting Standards Board (“IASB”) but not yet endorsed by the FSC

(Continued)

The following new and amended standards, which may be relevant to the Group, have been issued by the IASB, but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities. • A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities. • Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. • Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.	January 1, 2027

(Continued)

NIKO SEMICONDUCTOR CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

The Group is evaluating the impact on its consolidated financial position and consolidated financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Group completes its evaluation.

The Group does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures”

4. Summary of material accounting policies

(1) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Report by Securities Issuers (“ the Regulation”) and guidelines of IAS 34 “ Interim Financial Reporting” which are endorsed and issued into effect by FSC, and do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (hereinafter referred to IFRS endorsed by the FSC) for a complete set of the annual consolidated financial statements.

Except the following accounting policies mentioned below, the significant accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2024. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2024.

(Continued)

NIKO SEMICONDUCTOR CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(2) Basis of consolidation

The details of the subsidiaries included in the consolidated financial statements are as follows:

Name of investor	Name of subsidiary	Principal activities	Percentage of shareholding			Description
			June 30, 2025	December 31, 2024	June 30, 2024	
The Company	Jinrong Investment Co., Ltd. (Jinrong Investment)	Holding company	100%	100%	100%	Note 1
The Company	Power Up Tech Co., Ltd. (Power Up)	Holding company	100%	100%	100%	Note 1
Power Up	Wuxi Super GEM Micro Electric Co., Ltd (Wuxi Super GEM)	Manufacturing, development, and sales of metal-oxide-semiconductor(MOS) products, providing quality control and testing services for products; sales of self-produced products	100%	100%	100%	Note 1
Jinrong Investment	Super Group Semiconductor Co., Ltd. (Super Group Semiconductor)	Integrated Circuit Design Services and Manufacturing	70.28%	70.28%	36.69%	Note 1 、 2

Note 1: The company is a non-significant subsidiary, and its financial statements have not been reviewed.

Note 2: The Group participated in the cash capital increase of Super Group Semiconductor on August 12, 2024, thereby raising its shareholding from 36.69% to 70.28% and has made Super Group Semiconductor its subsidiary. Please refer to note 6(6) for detailed information.

(3) Income taxes

The income tax expenses have been prepared and disclosed in accordance with paragraph B12 of IAS 34 Interim Financial Reporting.

Income tax expenses for the period are best estimated by multiplying pre-tax income for the interim reporting period by the effective annual tax rate as forecasted by the management. This should be recognized fully as tax expense for the current period.

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the tax rates that have been enacted or substantively enacted at the time of the asset or liability is recovered or settled, and be recognized directly in equity or other comprehensive income as tax expense.

(4) Government subsidies

Government subsidies to compensate the expenses or losses incurred are recognized on a systematic basis in the same period as the related expenses.

(5) Employee benefits

The pension cost in the consolidated financial statements was calculated and disclosed on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior fiscal year adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events.

(Continued)

NIKO SEMICONDUCTOR CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

5. Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

The preparation of the consolidated financial statements in conformity with the Regulations and IFRSs (in accordance with IAS 34 “Interim Financial Reporting” and endorsed by the FSC) requires management to make judgments, estimates and assumptions for the future (including climate-related risks and opportunities) that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The preparation of the consolidated financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the year ended December 31, 2024. For the related information, please refer to note 5 of the consolidated financial statements for the year ended December 31, 2024.

6. Explanation of significant accounts

Except for the following disclosures, there is no significant difference as compared with those disclosed in the consolidated financial statements for the year ended December 31, 2024. Please refer to note 6 to the 2024 annual consolidated financial statements.

(1) Cash and cash equivalent

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Cash on hand	\$ 246	441	249
Checking deposits and demand deposits	1,786,935	1,545,574	1,510,344
	<u>\$ 1,787,181</u>	<u>1,546,015</u>	<u>1,510,593</u>

(2) Current financial assets and liabilities at fair value through profit or loss

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Derivative instruments not used for hedging			
Foreign exchange swap contracts	\$ 2,954	(2,729)	(1,128)

The Group held the following derivative instruments, without the application of hedge accounting, were classified as held for trading financial assets (liabilities) as of June 30, 2025, December 31 and June 30, 2024:

	<u>June 30, 2025</u>			
Derivative financial instruments	Nominal amount (in thousands)		Maturity date	Predetermined rate
Foreign exchange swap contracts – swap in NTD/ swap out USD	US\$	23,140	July 16, 2025~ July 30, 2025	29.400~29.628

(Continued)

NIKO SEMICONDUCTOR CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

December 31, 2024

Derivative financial instruments	Nominal amount (in thousands)	Maturity date	Predetermined rate
Foreign exchange swap contracts – swap in NTD/ swap out USD	US\$ 15,130	January 13, 2025~ January 22, 2025	32.459~32.615

June 30, 2024

Derivative financial instruments	Nominal amount (in thousands)	Maturity date	Predetermined rate
Foreign exchange swap contracts – swap in NTD/ swap out USD	US\$ 8,900	July 22, 2024~ July 23, 2024	32.289~32.305

(3) Accounts receivable (including related parties)

	June 30, 2025	December 31, 2024	June 30, 2024
Accounts receivable	\$ 830,646	868,371	706,497
Accounts receivable – related parties	438	-	1,504
Less: allowance for doubtful accounts	(1,479)	(1,265)	(887)
	<u>\$ 829,605</u>	<u>867,106</u>	<u>707,114</u>

(a) The Group applies the simplified approach to provide for its ECL, the use of lifetime ECL provision for all accounts receivables (including related parties). To measure the ECL, accounts receivable have been grouped based on shared credit risk characteristics and customer's ability to pay all the amounts due based on the terms of the contract as well as incorporated forward looking information, including macroeconomic and relevant industry information. The ECL allowance provision analysis was as follows:

	June 30, 2025		
	Carrying amounts of accounts receivable (including related parties)	Weighted-average ECL rate	Loss allowance provision of lifetime ECL
Current	\$ 802,767	0.12%	997
1 to 30 days past due	27,632	1%	276
31 to 90 days past due	685	30.07%	206
91 to 180 days past due	-	0%	-
181 to 360 days past due	-	0%	-
	<u>\$ 831,084</u>		<u>1,479</u>

(Continued)

NIKO SEMICONDUCTOR CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

	December 31, 2024		
	Carrying amounts of accounts receivable (including related parties)	Weighted-average ECL rate	Loss allowance provision of lifetime ECL
Current	\$ 863,155	0.12%	1,076
1 to 30 days past due	4,126	1.87%	77
31 to 90 days past due	1,090	10.28%	112
91 to 180 days past due	-	0%	-
181 to 360 days past due	-	0%	-
	<u>\$ 868,371</u>		<u>1,265</u>

	June 30, 2024		
	Carrying amounts of accounts receivable (including related parties)	Weighted-average ECL rate	Loss allowance provision of lifetime ECL
Current	\$ 705,570	0.12%	863
1 to 30 days past due	2,431	0.99%	24
31 to 90 days past due	-	0%	-
91 to 180 days past due	-	0%	-
181 to 360 days past due	-	0%	-
	<u>\$ 708,001</u>		<u>887</u>

(b) The movement in the allowance for accounts receivable (including related parties) was as follows:

	For the six months ended June 30	
	2025	2024
Balance on January 1	\$ 1,265	940
Impairment losses reversal	214	(53)
Balance on June 30	<u>\$ 1,479</u>	<u>887</u>

(c) As of June 30, 2025, December 31 and June 30 of 2024, the Group did not provide any accounts receivable (including related parties) as collateral.

(4) Inventories

	June 30, 2025	December 31, 2024	June 30, 2024
Raw materials	\$ 46,324	55,953	49,958
Work in process and semi-finished goods	360,047	425,955	431,876
Finished goods and merchandise	180,362	196,373	197,932
	<u>\$ 586,733</u>	<u>678,281</u>	<u>679,766</u>

(Continued)

NIKO SEMICONDUCTOR CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

- (a) Except for the cost of inventories that have been sold, the Group recognized the following items as cost of goods sold:

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Write-down of inventories (Reversal of write-downs)	\$ <u>257</u>	<u>(7,187)</u>	<u>9,636</u>	<u>(8,638)</u>

Reversal of inventory write down, resulting from the sale of previously write down of inventory and the recovery of merchandises' prices, as well as the losses from inventory write down to net realizable value, were recognized as cost of sales.

- (b) As of June 30, 2025, December 31 and June 30 of 2024, the Group did not provide any of the aforementioned inventories as collateral.

(5) Investments accounted for using equity method

The Group's investments accounted for using the equity method at the reporting date were as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Associates	\$ <u>91,897</u>	<u>89,955</u>	<u>184,264</u>

- (a) The profits and losses of associate enjoyed by the Group are listed as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Profit	\$ (126)	3,158	2,819	5,003
Other comprehensive income	-	3,815	-	8,658
Total comprehensive income	\$ <u>(126)</u>	<u>6,973</u>	<u>2,819</u>	<u>13,661</u>

- (b) Investments were accounted for by using the equity method, and the share of profit or loss and other comprehensive income of those investments were calculated based on the financial statements that have not been reviewed by CPA.

- (c) The Group originally held 36.69% shares of Super Group Semiconductor and had significant influence on the company and used the equity method to evaluate it. Later, it participated in the cash capital increase of Super Group Semiconductor in the 2024 and obtaining control of the company. The controlling power of the company shall be included in the consolidated entity. Please refer to Note 6 (6).

- (d) In the first quarter of 2025, the Group disposed 0.16% of the shares in an associated enterprise "Green Solution Technology" and still held significant influence over the company. As a result of the transaction, an investment profit of \$23 thousand using the equity method was recognized in the account. Listed under other profits and losses, please refer to Note 6(20).

- (e) As of June 30, 2025, December 31 and June 30 of 2024, the Group did not provide any of the aforementioned investments as collateral.

(Continued)

NIKO SEMICONDUCTOR CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(6) Business combinations acquisition of the subsidiary Super Group Semiconductor

On August 12, 2024 (the acquisition date), the Group participated in Super Group Semiconductor's cash capital increase, amounting to \$57,440 thousand. This increased the Group's shareholding from 36.69% to 70.28%, thereby gaining control over Super Group Semiconductor and including it in the consolidated entity from the acquisition date. Super Group Semiconductor's main business is integrated circuit design services and manufacturing. The Group acquired Super Group Semiconductor primarily to enhance the autonomy and completeness of its product supply chain, thereby strengthening the Group's market competitiveness.

From the acquisition date, Super Group Semiconductor's operating results are included in the Group's consolidated statements of comprehensive income. If the acquisition had occurred on January 1, 2024, management estimates that consolidated revenue would have been \$1,114,191 thousand and consolidated profit would have been \$95,709 thousand for the six months ended June 30, 2024. In determining these amounts, the management has assumed that the acquisition occurred on January 1, 2024, and the fair value adjustments arose on the acquisition date would have been the same.

(a) Identifiable assets acquired

The following table summarized the carrying amount of Super Group Semiconductor's identifiable assets acquired and liabilities assumed recognized at the acquisition date:

Cash and cash equivalents	\$ 227,042
Notes and accounts receivable	4,545
Other receivables	528
Other current assets	424
Right-of use assets	2,320
Property, plant and equipment	58,184
Intangible assets	1,529
Deferred income tax assets	1,124
Other non-current assets	2,315
Investments accounted for using equity method	51,935
Accounts payable	(80)
Other payables	(12,095)
Current income tax liabilities	(1,894)
Other current liabilities	(326)
Current lease liabilities	(1,078)
Non-current lease liabilities	(1,241)
Deferred income tax liabilities	(6,571)
Fair value of identifiable net assets	<u><u>\$ 326,661</u></u>

(Continued)

NIKO SEMICONDUCTOR CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(b) Information regarding the acquisition is as follows:

Consideration transferred	\$	101,882
Non-controlling interest (proportionate share of the fair value of the identifiable net assets)	\$	97,083
Fair value of pre-existing interest in the acquiree	\$	70,658

(7) Material non-controlling interests of subsidiaries

The material non-controlling interests of subsidiaries were as follows:

Name of Subsidiaries	Main operation place/country of registration	Proportion of Ownership and Voting Rights Held by Non-controlling Interests		
		June 30, 2025	December 31, 2024	June 30, 2024
Super Group Semiconductor	Taiwan	29.72%	29.72%	-%

The following information of the aforementioned subsidiary has been prepared in accordance with the IFRS Accounting Standards endorsed by the FSC. Included in these information are the fair value adjustments made during the acquisition and relevant difference in accounting principles between the Group and the subsidiary as at the acquisition date. Intragroup transactions were not eliminated in this information.

(a) Super Group Semiconductor's collective financial information

	June 30, 2025	December 31, 2024
Current assets	\$ 287,084	274,649
Non-current assets	72,605	75,981
Current liabilities	(16,068)	(12,123)
Non-current liabilities	(5,038)	(5,262)
Net assets	<u>\$ 338,583</u>	<u>332,855</u>
Ending balance of non-controlling interests	<u>\$ 100,626</u>	<u>98,924</u>
	For the three months ended June 30, 2025	For the six months ended June 30, 2025
Operating revenue	<u>\$ 18,301</u>	<u>33,994</u>
Profit	\$ 3,915	5,728
Other comprehensive income	-	-
Total comprehensive income	<u>\$ 3,915</u>	<u>5,728</u>
Profit, attributable to non-controlling interests	<u>\$ 1,163</u>	<u>1,702</u>
Total comprehensive income, attributable to non-controlling interests	<u>\$ 1,163</u>	<u>1,702</u>

(Continued)

NIKO SEMICONDUCTOR CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

	For the six months ended June 30, 2025
Net cash flows from operating activities	\$ 18,130
Net cash flows from investing activities	(3,862)
Net cash flows from financing activities	(558)
Net increase in cash and cash equivalents	\$ 13,710
Dividends paid to non-controlling interests	\$ -

(8) Property, plant and equipment

The cost, and depreciation of the property, plant and equipment of the Group were as follows:

	Land	Buildings	Office equipment and other	Testing equipment	Total
Cost:					
Balance on January 1, 2025	\$ 191,156	134,921	179,613	1,331	507,021
Additions	-	363	9,209	6,803	16,375
Disposal	-	-	(518)	-	(518)
Effect of exchange rate changes	-	-	(1,435)	-	(1,435)
Balance on June 30, 2025	\$ 191,156	135,284	186,869	8,134	521,443
Balance on January 1, 2024	\$ 161,823	114,227	128,396	15,040	419,486
Additions	-	1,002	4,458	7,494	12,954
Reclassified into (out)	-	4,700	12,824	(17,524)	-
Effect of exchange rate changes	-	-	436	-	436
Balance on June 30, 2024	\$ 161,823	119,929	146,114	5,010	432,876
Accumulated depreciation:					
Balance on January 1, 2025	\$ -	39,855	99,226	-	139,081
Depreciation	-	2,540	18,192	-	20,732
Disposal	-	-	(518)	-	(518)
Effect of exchange rate changes	-	-	(1,276)	-	(1,276)
Balance on June 30, 2025	\$ -	42,395	115,624	-	158,019
Balance on January 1, 2024	\$ -	35,762	69,897	-	105,659
Depreciation	-	1,571	11,994	-	13,565
Effect of exchange rate changes	-	-	387	-	387
Balance on June 30, 2024	\$ -	37,333	82,278	-	119,611
Carrying amounts:					
January 1, 2025	\$ 191,156	95,066	80,387	1,331	367,940
June 30, 2025	\$ 191,156	92,889	71,245	8,134	363,424
January 1, 2024	\$ 161,823	78,465	58,499	15,040	313,827
June 30, 2024	\$ 161,823	82,596	63,836	5,010	313,265

(Continued)

NIKO SEMICONDUCTOR CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

As of June 30, 2025, December 31 and June 30 of 2024, property, plant and equipment of the Group were pledged as collateral, please refer to note 8.

(9) Right-of-use assets

	<u>Vehicles</u>	<u>Buildings</u>	<u>Total</u>
Carrying amounts:			
January 1, 2025	\$ <u>2,828</u>	<u>6,742</u>	<u>9,570</u>
June 30, 2025	\$ <u>2,020</u>	<u>5,133</u>	<u>7,153</u>
January 1, 2024	\$ <u>1,488</u>	<u>2,087</u>	<u>3,575</u>
June 30, 2024	\$ <u>1,225</u>	<u>1,072</u>	<u>2,297</u>

There were no significant additions, disposal, or recognition and reversal of impairment losses in right-of-use assets which are the leased buildings and vehicles of the Groups for the six months ended June 30, 2025 and 2024. Please refer to Note 12 for the depreciation amount for the period; for other related information, please refer to Note 6(9) of the consolidated financial statements for the year ended December 31, 2024.

(10) Investing property

Investment property is an office building leased to related parties by operating lease. Each of the investment properties contains an initial non cancellable period between 1 and 3 years. The rental income of leased investment property is a fixed amount. Please refer to note 6(13) for further information.

	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
Carrying amounts:			
Balance on January 1, 2025	\$ <u>48,068</u>	<u>21,688</u>	<u>69,756</u>
Balance on June 30, 2025	\$ <u>48,068</u>	<u>21,385</u>	<u>69,453</u>
Balance on January 1, 2024	\$ <u>48,068</u>	<u>22,295</u>	<u>70,363</u>
Balance on June 30, 2024	\$ <u>48,068</u>	<u>21,992</u>	<u>70,060</u>

(a) There were no significant additions, disposal, or recognition and reversal of impairment losses of investment property for the six months ended June 30, 2025 and 2024.

Information on depreciation for the period is discussed in note 12. Please refer to note 6(10) to the 2024 annual consolidated financial statements for other related information.

(b) The fair value of investment property was not significantly different from those disclosed in note 6(10) to the annual consolidated financial statements for the year ended December 31, 2024.

(c) As of June 30, 2025, December 31 and June 30 of 2024, investment property of the Group was pledged as collateral, please refer to note 8.

(Continued)

NIKO SEMICONDUCTOR CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(11) Lease liabilities

Lease liabilities of the Group were as follows:

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Current	<u>\$ 3,646</u>	<u>3,544</u>	<u>1,656</u>
Non-current	<u>\$ 3,576</u>	<u>5,808</u>	<u>712</u>

(a) For maturity analysis, please refer to Note 6 (21) Financial Instruments.

(b) The amounts recognized in profit or loss were as follows:

	<u>For the three months ended June 30,</u>		<u>For the six months ended June 30,</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Interest on lease liabilities	<u>\$ 63</u>	<u>24</u>	<u>136</u>	<u>55</u>
Expenses relating to short-term leases and leases of low-value assets	<u>\$ 271</u>	<u>216</u>	<u>524</u>	<u>433</u>

(c) The amounts recognized in the consolidated statement of cash flows for the Group were as follows:

	<u>For the six months ended June 30</u>	
	<u>2025</u>	<u>2024</u>
Rental paid in operating activities	\$ (524)	(433)
Interest on lease liabilities paid in operating activities	(136)	(55)
Payment made on lease liabilities in financing activities	<u>(1,614)</u>	<u>(1,357)</u>
Total cash outflow for lease	<u>\$ (2,274)</u>	<u>(1,845)</u>

(d) Real estate and vehicle lease

The Group leases real estate and vehicles for official use with lease terms of three years.

(e) Other leases

The Group leases employee dormitories, office equipment and parking space with lease terms of one to five years. These leases are short term or leases of low value items. The Group has elected not to recognize right of use assets and lease liabilities for these leases.

(Continued)

NIKO SEMICONDUCTOR CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(12) Provisions-current

	<u>Unsettled claims</u>
Balance on January 1, 2025	\$ 38,901
Payment in this period	(4,828)
Effect of exchange rate changes	<u>(3,622)</u>
Balance on June 30, 2025	<u>\$ 30,451</u>

The provision for unsettled claims is related to the Group's sale of power MOSFETs to a non related party. Due to issues with some products, compensation negotiations are underway, wherein the Group accounted for the most likely amount.

(13) Operating lease

The Group leases out its investment property. The Group has classified these leases as operating leases, because it does not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Please refer to note 6(10).

A maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date are as follows:

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Less than one year	\$ 1,962	2,874	2,914
One to two years	-	476	1,905
Two to three years	-	-	-
Three to four years	-	-	-
Four to five years	-	-	-
More than five years	<u>-</u>	<u>-</u>	<u>-</u>
Total undiscounted lease payments	<u>\$ 1,962</u>	<u>3,350</u>	<u>4,819</u>

(14) Employee benefits

(a) Defined benefit plans

There was no material volatility of the market, no material reimbursement and settlement or other material one-time events since prior fiscal year. As a result, the pension cost in the accompanying interim period was measured and disclosed according to the actuarial report as of December 31, 2024 and 2023.

	<u>For the three months ended June 30,</u>		<u>For the six months ended June 30,</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Operating costs	\$ -	-	-	-
Selling expenses	-	-	-	-
Administrative expenses	-	-	-	8
Research and development expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>8</u>

(Continued)

NIKO SEMICONDUCTOR CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(b) Defined contribution plans

The pension expenses under the Group's Defined Pension Contribution Plan are as follows. The Company contribute the pension cost on the defined contribution plans to the labor pension account at the Bureau of Labor Insurance. Subsidiaries other than the Company set up their defined contribution plans in accordance with the regulations of their respective countries.

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Operating costs	\$ 458	455	917	914
Selling expenses	359	346	696	664
Administrative expenses	447	389	908	774
Research and development expenses	908	713	1,822	1,428
	<u>\$ 2,172</u>	<u>1,903</u>	<u>4,343</u>	<u>3,780</u>

(15) Income taxes

(a) Components of income tax expenses were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Current tax expense	<u>\$ 16,379</u>	<u>15,624</u>	<u>31,644</u>	<u>26,912</u>

(b) The Group had no income taxes recognized directly in equity for the three and six months ended June 30, 2025 and 2024.

(c) The Group had no income taxes recognized in other comprehensive income for the three and six months ended June 30, 2025 and 2024.

(d) The Group's income tax returns have been examined by the R.O.C income tax authorities through the following years:

	Year
The Company	2022
Jinrong Investment	2023
Super Group Semiconductor	2023

(16) Capital and other equity

Except for the following disclosure, there was no significant change for capital and other equity for the six months ended June 30, 2025 and 2024. For the related information, please refer to Note 6 (16) of the consolidated financial report of 2024.

(a) Retained earnings

The Company's article of incorporation stipulate that Company's net earnings should first be used to offset the prior years' deficits, if any, before paying any income taxes. Of the remaining balance, 10% is to be appropriated as legal reserve, until the accumulated

(Continued)

NIKO SEMICONDUCTOR CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

legal reserve has equaled the total capital of the Corporation; then set aside a special reserve in accordance with the relevant laws when necessary. Any remaining profit together with any undistributed retained earnings shall be distributed according to the distribution plan proposed by the Board of Directors and submitted to the stockholders' meeting for approval. The abovementioned distribution plan, by the way of cash dividends, should be approved by the Corporation's Board of Directors and reported to the shareholders' meeting, and need not be submitted to the shareholders' meeting for recognition.

The company is currently in a growth phase. Based on the company's future capital needs and long-term financial planning, cash dividends must not be less than 10% of the total dividends.

(b) Distribution of earnings

The amount of cash dividends on the 2024 earnings distribution had been approved during the board meeting on March 14, 2025. The other items on earnings distribution had been approved during the shareholders' meeting on June 10, 2025. The amounts of cash dividends on the 2023 earnings distribution had been approved during the board meeting on March 12, 2024. The other items on earnings distribution had been approved during the shareholders' meeting on June 13, 2024. The relevant dividend distributions to shareholders were as follows:

	2024		2023	
	Amount per share	Total amount	Amount per share	Total amount
Dividends distributed to ordinary shareholders:				
Cash	\$ 0.4	32,400	0.4	28,421
Stock	1.1	<u>90,000</u>	1.4	<u>99,482</u>
Total		<u>\$ 122,400</u>		<u>\$ 127,903</u>

(17) Earnings per share

(a) The Group's basic and diluted earnings per share were calculated as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Basic earnings per share:				
Profit attributable to the Company	<u>\$ 48,474</u>	<u>46,833</u>	<u>108,613</u>	<u>91,562</u>
Weighted-average number of ordinary shares outstanding(basic/thousand shares)	<u>81,000</u>	<u>81,000</u>	<u>81,000</u>	<u>81,000</u>
Earnings per share (dollars)	<u>\$ 0.60</u>	<u>0.58</u>	<u>1.34</u>	<u>1.13</u>

(Continued)

NIKO SEMICONDUCTOR CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Dilute earnings per share:				
Profit attributable to the Company	\$ <u>48,474</u>	<u>46,833</u>	<u>108,613</u>	<u>91,562</u>
Weighted-average number of ordinary shares outstanding(diluted/thousand shares)	<u>81,589</u>	<u>81,415</u>	<u>82,094</u>	<u>81,930</u>
Earnings per share (dollars)	\$ <u>0.59</u>	<u>0.58</u>	<u>1.32</u>	<u>1.12</u>
Weighted-average number of ordinary shares outstanding(diluted/thousand shares)				
Weighted-average number of ordinary shares outstanding(basic/thousand shares)	81,000	81,000	81,000	81,000
Effect of employee remuneration	<u>589</u>	<u>415</u>	<u>1,094</u>	<u>930</u>
Weighted-average number of ordinary shares outstanding (diluted/thousand share)	<u>81,589</u>	<u>81,415</u>	<u>82,094</u>	<u>81,930</u>

(b) Proposed Earnings per share

The Company's motion for stock grants resolved by the shareholders' meeting on June 10, 2025, but the base date for the capital increase is still waiting for the board meeting. If the stock grants occurs before the approval and issuance of this consolidated financial report, the proposed retrospectively adjusted earnings per share will be as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Basic earnings per share	\$ <u>0.54</u>	<u>0.52</u>	<u>1.21</u>	<u>1.02</u>
Diluted earnings per share	\$ <u>0.53</u>	<u>0.52</u>	<u>1.19</u>	<u>1.01</u>

(Continued)

NIKO SEMICONDUCTOR CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(18) Revenue from contracts with customers

(a) Disaggregation of revenue

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Primary geographical Markets:				
Taiwan	\$ 168,943	85,772	300,852	163,043
China	494,964	487,532	961,720	919,715
Other	34,434	17,290	65,383	31,433
	<u>\$ 698,341</u>	<u>590,594</u>	<u>1,327,955</u>	<u>1,114,191</u>
Main products:				
Power MOSFET	\$ 697,884	589,084	1,327,440	1,111,680
Other	457	1,510	515	2,511
	<u>\$ 698,341</u>	<u>590,594</u>	<u>1,327,955</u>	<u>1,114,191</u>

(b) Contract balance

	June 30, 2025	December 31, 2024	June 30, 2024
Accounts receivable(including related parties)	\$ 831,084	868,371	708,001
Less: allowance for impairment	(1,479)	(1,265)	(887)
Total	<u>\$ 829,605</u>	<u>867,106</u>	<u>707,114</u>

For the impairment of accounts receivable (including related parties), please refer to Note 6(3).

(19) Employee's and directors' remuneration

The Company's Articles of Incorporation resolved by the shareholders' meeting on June 10, 2025, in accordance with the revised Articles of Incorporation, the Company should contribute a minimum of 10% of its annual profits as employee compensation and a maximum of 5% as remuneration for directors. The annual contributed employee compensation should be contributed a minimum of 15% to entry-level employee. In accordance with the Articles of Incorporation before the amendment, the Company should contribute a minimum of 10% of its annual profits as employee compensation and a maximum of 5% as remuneration for directors.

Employee compensation may be distributed in shares and cash, which would be resolved by the Board of Directors. The recipients of shares and cash may include the employees of the Company's subsidiaries who meet certain conditions. However, if the

(Continued)

NIKO SEMICONDUCTOR CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Company has accumulated deficits, the amount thereof should be reserved to offset the deficit first, and then allocate the employee remuneration and the director remuneration according to the proportion mentioned in the preceding paragraph.

The Group's remuneration to employees and directors for the three and six months ended June 30, 2025 and 2024 were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Employee compensation	\$ 11,576	10,631	25,646	20,200
Directors' remuneration	3,858	3,037	8,548	5,771
Total	<u>\$ 15,434</u>	<u>13,668</u>	<u>34,194</u>	<u>25,971</u>

The employee remuneration and the director remuneration are calculated based on the net profit before tax, excluding the remuneration to employees and directors of each period, multiplied by the percentage of remuneration to employees and directors as specified in the Company's articles. These remunerations were expensed under operating costs or operating expenses during each period. The differences between the amounts distributed and those accrued in the financial statements, if any, are accounted for as changes in accounting estimates and recognized as profit or loss in the distribution year.

For the years ended December 31, 2024 and 2023, the Company estimated its employee remuneration amounting to \$45,367 thousand and \$48,372 thousand, and directors' remuneration amounting to \$15,122 thousand and \$13,820 thousand respectively, which was no difference from the actual distribution. Related information would be available at the Market Observation Post System website.

(20) Non-operating income and expenses

(a) Interest income

The Group's interest income was as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Interest income	<u>\$ 5,713</u>	<u>4,786</u>	<u>5,893</u>	<u>4,941</u>

(Continued)

NIKO SEMICONDUCTOR CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(b) Other income

The Group's other income were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Government subsidies	\$ 3,540	-	3,540	-
Others	741	732	1,598	1,838
	<u>\$ 4,281</u>	<u>732</u>	<u>5,138</u>	<u>1,838</u>

(c) Other gains or losses

The Group's other gain and losses were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Gain in disposal investments	\$ -	-	23	-
Net foreign exchanges gain(losses)	(18,908)	(1,461)	(14,987)	7,204
Net gain(losses) on valuation of financial assets(liabilities) at fair value through profit or loss	4,057	805	2,924	(1,128)
Others	(188)	(161)	(371)	(314)
	<u>\$ (15,039)</u>	<u>(817)</u>	<u>(12,381)</u>	<u>5,762</u>

(d) Finance costs

The Group's finance costs was as follows::

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Interest expense	\$ 63	24	136	55

(21) Financial instruments

Except for the following paragraph, there were no significant changes in the fair value of the Group's financial instruments and the degree of exposure to credit risk, liquidity risk and market risk arising from financial instruments. Please refer to note 6(21) of the consolidated financial statements for the year ended December 31, 2024 for further information.

(a) Credit risk

(i) Credit Risk Exposure

The carrying amount of financial assets represents the maximum amount exposed to credit risk.

(Continued)

NIKO SEMICONDUCTOR CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(ii) Credit Risk Concentration

As of June 30, 2025, December 31 and June 30 of 2024, the total accounts receivable from the Group top five customers accounted for 52%, 52% and 49%, respectively, indicating a concentration of credit risk for the Group. In order to reduce credit risk, the Group assesses the financial status of each customer and the possibility of collection of receivables on a regular basis. The above mentioned customers are profitable and have a good credit record; hence, and the Group did not suffer any significant credit loss from those customers during the financial reporting period.

(b) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	Carrying amount	Contractual cash flow	Within 6 months	6-12 months	1-2 years	2-5 years	More than 5 years
June 30, 2025							
Non derivative financial liabilities:							
Accounts payable	\$ 311,428	311,428	311,428	-	-	-	-
Other payable (including related parties)	203,696	203,696	203,696	-	-	-	-
Lease liabilities	7,222	7,495	1,913	1,913	2,584	1,085	-
Guarantee deposits	6	6	-	-	6	-	-
	<u>\$ 522,352</u>	<u>522,625</u>	<u>517,037</u>	<u>1,913</u>	<u>2,590</u>	<u>1,085</u>	<u>-</u>
December 31, 2024							
Non derivative financial liabilities:							
Accounts payable	\$ 344,440	344,440	344,440	-	-	-	-
Other payable (including related parties)	150,546	150,546	150,546	-	-	-	-
Lease liabilities	9,352	10,024	2,016	2,016	3,618	2,374	-
Guarantee deposits	6	6	-	6	-	-	-
Derivative financial liabilities:	2,729						
Outflow	-	495,301	495,301	-	-	-	-
Inflow	-	(492,572)	(492,572)	-	-	-	-
	<u>\$ 507,073</u>	<u>507,745</u>	<u>499,731</u>	<u>2,022</u>	<u>3,618</u>	<u>2,374</u>	<u>-</u>
June 30, 2024							
Non derivative financial liabilities:							
Accounts payable	\$ 408,369	408,369	408,369	-	-	-	-
Other payable (including related parties)	202,247	202,247	202,247	-	-	-	-
Lease liabilities	2,368	2,459	1,447	280	551	181	-
Derivative financial liabilities:	1,128						
Outflow	-	288,569	288,569	-	-	-	-
Inflow	-	(287,441)	(287,441)	-	-	-	-
	<u>\$ 614,112</u>	<u>614,203</u>	<u>613,191</u>	<u>280</u>	<u>551</u>	<u>181</u>	<u>-</u>

(Continued)

NIKO SEMICONDUCTOR CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

The Group does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

The Group's capital, working capital, and bank credit facilities are sufficient to meet all contractual obligations, thus eliminating liquidity risk due to an inability to raise funds. Additionally, as of June 30, 2025, December 31 and June 30 of 2024, the unused credit lines amounted to \$946,450 thousand, \$986,528 thousand and \$982,675 thousand, respectively.

(c) Market risk

The Group's significant exposure of financial assets and liabilities to foreign currency risk was as follows:

	June 30, 2025				December 31, 2024			June 30, 2024		
	Foreign currency	Exchange rate	NTD		Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD
<u>Financial assets</u>										
<u>Monetary items</u>										
USD	\$	31,417	29.300	920,517	33,373	32.785	1,094,118	28,395	32.450	921,403
<u>Financial liabilities</u>										
<u>Monetary items</u>										
USD		10,820	29.300	317,036	10,802	32.785	354,147	13,005	32.450	422,000

The Group's exposure to foreign currency risk arises mainly from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, other receivables, accounts payable, and other payable and provisions denominated in foreign currency. An weakening (strengthening) of 1% of the NTD against USD as of June 30, 2025 and 2024, with other factors remaining constant, would have increased or decreased the profit before income tax by \$6,035 thousand and \$4,994 thousand for the six months ended June 30, 2025 and 2024, respectively. The analysis for both periods was performed on the same basis.

The information on the amount of the Group's foreign exchange gain or loss on monetary items (including realized and unrealized) translated to the functional currency, and on the exchange rate translated to the functional currency of the Group (the presentation currency), NTD, was as follows:

Functional currency	For the three months ended June 30,				For the six months ended June 30,			
	2025		2024		2025		2024	
	Exchange gains or losses	Average exchange rate	Exchange gains or losses	Average exchange rate	Exchange gains or losses	Average exchange rate	Exchange gains or losses	Average exchange rate
NTD	\$ (18,931)	1	(1,605)	1	(15,144)	1	6,974	1
RMB	23	4.193	144	4.458	157	4.345	230	4.412
	<u>\$ (18,908)</u>		<u>(1,461)</u>		<u>\$ (14,987)</u>		<u>7,204</u>	

(Continued)

NIKO SEMICONDUCTOR CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(d) Interest rate analysis

The Group's financial assets with floating rate were bank deposits and there were no financial liabilities with floating rate. The Group believes that the cash flow risk arising from the fluctuation in interest rates was not significant and the sensitivity analysis of interest rate was not required.

(e) Fair value of financial instruments

(i) Types of financial instrument and fair value hierarchy

The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, disclosure of fair value information is not required.

	Carrying amount	June 30, 2025			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss current	\$ 2,954	-	-	2,954	2,954
Financial assets measured at amortized cost :					
Cash and cash equivalents	\$ 1,787,181				
Accounts receivable (including related parties)	829,605				
Other receivable(including related parties)	15,367				
Refundable deposit	3,180				
Restricted deposit	3,540				
Total	\$ 2,638,873				
Financial liabilities measured at amortized cost :					
Accounts payable	\$ 311,428				
Other payable(including related parties)	203,696				
Lease liabilities	7,222				
Guarantee deposits	6				
Total	\$ 522,352				

(Continued)

NIKO SEMICONDUCTOR CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

		December 31, 2024				
		Carrying amount	Fair value			
			Level 1	Level 2	Level 3	Total
Financial assets measured at amortized cost :						
Cash and cash equivalents	\$	1,546,015				
Accounts receivable (including related parties)		867,106				
Other receivable(including related parties)		17,778				
Refundable deposits		5,850				
Total		<u>\$ 2,436,749</u>				
Financial liabilities at fair value through profit or loss current						
	\$	<u>2,729</u>	<u>-</u>	<u>-</u>	<u>2,729</u>	<u>2,729</u>
Financial liabilities measured at amortized cost :						
Accounts payable	\$	344,440				
Other payable(including related parties)		150,546				
Lease liabilities		9,352				
Guarantee deposits		6				
Total		<u>\$ 504,344</u>				
		June 30, 2024				
		Carrying amount	Fair value			
			Level 1	Level 2	Level 3	Total
Financial assets measured at amortized cost :						
Cash and cash equivalents	\$	1,510,593				
Accounts receivable (including related parties)		707,114				
Other receivable(including related parties)		15,534				
Refundable deposits		3,388				
Total		<u>\$ 2,236,629</u>				
Financial liabilities at fair value through profit or loss current						
	\$	<u>1,128</u>	<u>-</u>	<u>-</u>	<u>1,128</u>	<u>1,128</u>
Financial liabilities measured at amortized cost :						
Accounts payable	\$	408,369				
Other payable(including related parties)		202,247				
Lease liabilities		2,368				
Total		<u>\$ 612,984</u>				

(Continued)

NIKO SEMICONDUCTOR CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(ii) Valuation techniques for financial instruments measured at fair value.

The fair value of derivative instruments is based on quoted prices. When quoted prices are unavailable, the fair value is calculated based on the spot exchange rate and exchange points on the respective maturity date.

(iii) There were no transfers between fair value levels for the six months ended June 30, 2025 and 2024.

(iv) Reconciliation of Level 3 fair values

	Financial assets and liabilities at fair value through profit or loss
January 1, 2025	\$ (2,729)
Acquisition / disposal	2,729
Recognized in profit or loss	<u>2,954</u>
June 30, 2025	<u>\$ 2,954</u>
January 1, 2024	\$ 7,112
Acquisition / disposal	(7,112)
Recognized in profit or loss	<u>(1,128)</u>
June 30, 2024	<u>\$ (1,128)</u>

The aforementioned total gains and losses were recognized in “other gains and losses”. The gains or losses related to the assets or liabilities held on June 30, 2025 and 2024 were as follows:

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Total gains or losses		
Recognized in profit or loss (recognized as other gains and losses)	<u>\$ 2,954</u>	<u>(1,128)</u>

(v) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Group’s financial instruments that use Level 3 inputs to measure fair value include “financial assets and liabilities at fair value through profit or loss– derivative financial investments” . The fair value of these financial instruments resulted from the quotation of a third party. Therefore, the Group did not disclose the information about significant unobservable inputs and sensitivity analysis.

(Continued)

NIKO SEMICONDUCTOR CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(22) Financial risk management

The Group's objectives and policies on financial risk management are consistent with note 6(22) of the consolidated financial statement ended December 31, 2024.

(23) Capital management

Management believes that the objectives, policies and processes of capital management of the Group has been applied consistently with those described in the consolidated financial statements for the year ended December 31, 2024. Also, management believes that there were no significant changes in the Group's capital management information as disclosed for the year ended December 31, 2024. Please refer to note 6(23) of the consolidated financial statements for the year ended December 31, 2024 for further details.

(24) Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities arising from financing activities were as follows:

	January 1, 2025	Cash flows	Changes of non-cash	June 30, 2025
Lease liabilities	\$ 9,352	(1,614)	(516)	7,222
Guarantee deposits	6	-	-	6
Total liabilities from financing activities	<u>\$ 9,358</u>	<u>(1,614)</u>	<u>(516)</u>	<u>7,228</u>

	January 1, 2024	Cash flows	Changes of non-cash	June 30, 2024
Lease liabilities	\$ 3,673	(1,357)	52	2,368
Guarantee deposits	11	(11)	-	-
Total liabilities from financing activities	<u>\$ 3,684</u>	<u>(1,368)</u>	<u>52</u>	<u>2,368</u>

(Continued)

NIKO SEMICONDUCTOR CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

7. Related-party Transactions

(1) Names and relationship with related parties

The followings are related parties that have had transactions with the Group during the periods covered in the consolidated financial statements:

<u>Name of related party</u>	<u>Relationship with the Group</u>
Caifeng Investment Co., Ltd. (Caifeng Investment)	A substantial related party
Super Group Semiconductor Co., Ltd. (Super Group Semiconductor)	(Note)
Green Solution Technology Co., Ltd. (Green Solution Technology)	An associate
Chang Kuan Investments Co., Ltd. (Chang Kuan Investments)	The entity's chairman is the same person as the company
Liang Jia Investments Co., Ltd. (Liang Jia Investments)	"
Liang Yuan Investments Co., Ltd. (Liang Yuan Investments)	"

Note: The Group gained control over Super Group Semiconductor on August 12, 2024, making Super Group Semiconductor a subsidiary of the Group. Related party transactions are disclosed prior to August 12, 2024.

(2) Significant transactions with related parties

(a) Sale of goods to related parties

The amounts of significant sales by the Group to related parties and the outstanding balances were as follows:

<u>Sales</u>				<u>Accounts receivable</u>		
<u>For the three months ended June 30, 2025</u>	<u>2025</u>	<u>For the six months ended June 30, 2025</u>	<u>2025</u>	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>

Associates:

Other associates	\$	<u>456</u>	<u>1,425</u>	<u>515</u>	<u>2,023</u>	<u>438</u>	<u>-</u>	<u>1,504</u>
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The selling price offered to related parties approximated the market price, and the credit terms. For the six months ended June 30, 2025 and 2024, the credit terms to related parties were both 90 days. The trading terms to other customers are 30 days and 120 days.

(Continued)

NIKO SEMICONDUCTOR CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(b) Purchase of goods from related parties

The amounts of purchases by the Group to related parties and the outstanding balances were as follows:

Purchase				Accounts payable		
For the three months ended June 30,		For the six months ended June 30,		June 30,	December	June 30,
2025	2024	2025	2024	2025	31, 2024	2024

Associates:

Other Associates	\$	-	-	-	24	-	-	-
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The Group provides customers with comprehensive power management solutions and purchases customized products from related parties. The purchase prices of these products are not comparable to those of similar products from general suppliers. For the six months ended June 30, 2025 and 2024, the payment terms for related parties are 30 days, while the payment terms for general suppliers range from 30 to 90 days.

(c) Purchase of services from related parties

Purchase of service				Other payable		
For the three months ended June 30,		For the six months ended June 30,		June 30,	December	June 30,
2025	2024	2025	2024	2025	31, 2024	2024

Associates:

Super Group Semiconductor - Product development project fees	\$	-	5,000	-	10,800	-	-	5,250
Super Group Semiconductor - Product royalty fees		-	11,872	-	21,906	-	-	8,588
	\$	-	<u>16,872</u>	-	<u>32,706</u>	-	-	<u>13,838</u>

As of June 30, 2024, the new product development contracts and outsourcing design contracts signed by the Group and its related parties have not yet been recognized as contractual commitments due to not reaching the agreed development and design stage. Please refer to note 9 for details.

(Continued)

NIKO SEMICONDUCTOR CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(d) Rental income

The rental income generated from leasing offices to related parties was as follows:

	Transaction amount				Other receivable		
	For the three months ended June 30,		For the six months ended June 30,		June 30, 2025	December 31, 2024	June 30, 2024
	2025	2024	2025	2024			
Associates:							
Green Solution Technology	\$ 715	715	1,429	1,429	250	250	250
Other related parties	17	16	34	29	12	66	30
	<u>\$ 732</u>	<u>731</u>	<u>1,463</u>	<u>1,458</u>	<u>262</u>	<u>316</u>	<u>280</u>

The Group receives rent in accordance with the contractual agreement. The rent amount is determined through mutual negotiation between both parties.

(3) Key management personnel compensation

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Short-term employee benefits	\$ 7,175	6,353	15,136	12,380
Post- employment benefits	-	-	-	8
Termination benefits	-	-	-	-
Other long-term benefits	-	-	-	-
Share-based payments	-	-	-	-
	<u>\$ 7,175</u>	<u>6,353</u>	<u>15,136</u>	<u>12,388</u>

8. Pledged assets

The carrying amounts of pledged assets as collateral were as follows:

Assets name	Pledge to secure	June 30, 2025	December 31, 2024	June 30, 2024
Property, plant and equipment - Land	Bank loan	\$ 97,394	97,394	97,394
- Buildings	"	43,231	43,846	44,460
Investing property - Land	"	48,068	48,068	48,068
- Buildings	"	21,385	21,688	21,992
Restricted deposit-current	Performance Bond	3,540	-	-
		<u>\$ 213,618</u>	<u>210,996</u>	<u>211,914</u>

(Continued)

NIKO SEMICONDUCTOR CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

9. Significant commitments and contingencies

- (1) Guarantee notes, provided as part of agreements with financial institutions to acquire credit lines and transaction limits of financial instruments were as follows:

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Credit lines and transaction limits of financial instruments	<u>\$ 1,055,595</u>	<u>1,104,908</u>	<u>1,100,168</u>

- (2) As of June 30, 2024, the amounts of \$38,500 thousand have not yet been invoiced to the Group under the new product development contracts and outsourced design project contracts because the supplier did not reach the agreed development and design stages. Additionally, the Group has agreed with the above new product development contracts, where it states that when the products enter the mass production stage, royalties will be paid based on the relevant wafer procurement quantities and agreed prices. As of June 30, 2025 and December 31, 2024, no such conditions exist.
- (3) On May 30, 2018, the Group signed a capacity guarantee procurement contract with the supplier. Due to the agreed minimum procurement quantity, the Group is required to pay the deposits of \$0, \$2,500 thousand and \$2,500 thousand, which had been fully paid and recognized under other current assets and other current assets as of June 30, 2025, December 31, and June 30, 2024, respectively.
- (4) The Group signed a capacity guarantee purchase contract with the supplier on May 7, 2021, November 30, 2021, and January 28, 2022. Due to the agreed purchase quantities, the Group is required to pay advance payments. As of June 30, 2025, December 31, and June 30, 2024, the prepaid amount were \$52,826 thousand, \$57,031 thousand and \$61,807 thousand, respectively. These amounts are recognized under other current assets and other non-current assets.
- (5) Contingent liability

The Group sold power MOSFETs to a non related party, and due to some product issues, both parties are currently in negotiations.

The Group has recognized a provision for unsettled claims based on reliable estimates. Please refer to Note 6(12).

10. Losses Due to Major Disasters: None.

11. Subsequent Events

- (1) The company's surplus transferred to capital increase resolved by the shareholders' meeting on June 10, 2025, the amount of capital increase was NT\$90,000 thousand, stock dividend of 111.111111 shares per 1,000 shares, par value per share is NT\$10. The base date for capital increase, which would be resolved by the Board of Directors.

(Continued)

NIKO SEMICONDUCTOR CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

12. Other

The summary of employee benefits, depreciation, and amortization, by function, was as follows:

Function Item	For the three months ended June 30, 2025			For the three months ended June 30, 2024		
	operating costs	operating expenses	Total	operating costs	operating expenses	Total
Employee benefits						
Salary	10,442	51,368	61,810	10,013	39,796	49,809
Labor and health insurance	893	2,442	3,335	878	2,011	2,889
Pension	458	1,714	2,172	455	1,448	1,903
Others	636	1,681	2,317	573	1,370	1,943
Depreciation	3,113	8,180	11,293	2,427	5,294	7,721
Amortization	-	1,425	1,425	-	629	629

Function Item	For the six months ended June 30, 2025			For the six months ended June 30, 2024		
	operating costs	operating expenses	Total	operating costs	operating expenses	Total
Employee benefits						
Salary	21,174	105,743	126,917	19,951	80,180	100,131
Labor and health insurance	1,906	5,291	7,197	2,574	6,105	8,679
Pension	917	3,426	4,343	914	2,874	3,788
Others	1,246	3,232	4,478	1,136	2,680	3,816
Depreciation	6,176	16,757	22,933	4,395	10,799	15,194
Amortization	-	2,859	2,859	-	1,259	1,259

13. Other disclosures

(1) Information on significant transactions

The following is the information on significant transactions required by “the Regulations” for the Group for the six months ended June 30, 2025:

- (a) Loans to other parties: None.
- (b) Guarantees and endorsements for other parties: None.
- (c) Securities held as of June 30, 2025 (excluding investment in subsidiaries, associates and joint ventures): None.
- (d) Related party transactions for purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of the capital stock: None.
- (e) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock: None.
- (f) Business relationships and significant intercompany transactions:

(Continued)

NIKO SEMICONDUCTOR CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

No.	Name of company	Name of counterparty	Nature of relationship	Intercompany transactions from January 1 to June 30, 2025			
				Account name	Amount	Trading terms	Percentage of consolidated total operating revenues or total assets
0	The Company	Power Up	Transactions between parent company and subsidiaries	Operating expense	13,724	25 days	1.03%
0	"	"	Transactions between parent company and subsidiaries	Other payables	908	"	0.02%
1	Power Up	Wuxi Super Gem	Transactions between subsidiaries	Operating cost	13,343	"	1.00%
1	"	"	Transactions between subsidiaries	Other payables	879	"	0.02%
2	The Company	Super Group Semiconductor	Transactions between parent company and subsidiaries	Operating cost	27,694	31 days	2.09%
2	"	"	Transactions between parent company and subsidiaries	Operating expense	6,300	"	0.47%
2	"	"	Transactions between parent company and subsidiaries	Other payables	8,353	"	0.22%

Note: Related transactions have been eliminated during the preparation of the consolidated financial statements.

(2) Information on investees:

The following is the information on investees for the six months ended June 30, 2025 (excluding information on investees in Mainland China)

(In Thousands of New Taiwan Dollars/Shares)

Name of Investor	Name of Investee	Location	Main businesses and products	Original investment amount		Balance as of June 30, 2025			Net income(losses) of investee	Share of profits/losses of investee	Note
				June 30, 2025	December 31, 2024	Shares	Percentage of ownership	Carrying value			
The Company	Jinrong Investment	Taiwan	Holding company	270,000	270,000	27,000,000	100.00%	421,278	4,878	4,878	Note 1
"	Power Up	Samoa	Holding company	30,744	30,744	1,930,000	100.00%	45,098	(2,407)	(2,407)	"
Jinrong Investment	Green Solution Technology	Taiwan	Electronic Component Manufacturing and Product Design	48,875	48,875	4,511,514	15.04%	85,805	17,496	2,631	Note 2
"	Super Group Semiconductor	Taiwan	Integrated Circuit Design Services and Manufacturing	121,320	121,320	7,028,000	70.28%	237,956	5,776	4,025	Note1
Super Group Semiconductor	Green Solution Technology	Taiwan	Electronic Component Manufacturing and Product Design	4,487	5,203	313,709	1.05%	6,092	17,496	188	Note 2

Note 1: Subsidiary of the Group. The investments have been eliminated during the preparation of the consolidated financial statement.

Note 2: Associate of the Group.

(3) Information on Investment in Mainland China:

(a)The names of investees in Mainland China, the main businesses and products, and other information:

(In Thousands of New Taiwan Dollars)

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of Investment	Accumulated outflow of investment from Taiwan as of January 1, 2025	Investment flows		Accumulated outflow of investment from Taiwan as of June 30, 2025	Net income (losses) of the Investee	Percentage of ownership	Investment income (losses)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow						
Wuxi Super GEM	Manufacturing, development, and sales of metal-oxide-semiconductor (MOS) products, providing quality control and testing services for products; sales of self-produced products	26,850	Note 1	61,463	-	-	61,463	1,438	100.00%	1,438	10,260	-

Note1: Indirect investment through a third location entity, Power Up Tech Co., Ltd..

Note2: The above investments have been eliminated during the preparation of the consolidated financial statements.

The investment gains and losses of the aforementioned mainland invested company are accounted for based on the financial reports prepared by the investees, not reviewed by auditors.

(Continued)

NIKO SEMICONDUCTOR CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(b) Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of June 30, 2025	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
61,463	61,463	1,892,984

(c) Significant transactions:

The significant inter-company transactions with the subsidiaries in Mainland China for the six months ended June 30, 2025 are disclosed in note13(1) “Business relationships and significant intercompany transactions.” The above transactions have been eliminated during the preparation of the consolidated financial statements.

14. Segment information

(1) General information

The Group’s revenue are generated mainly from the sale of power MOSFETs, and its chief operating decision makers evaluate its performance based on the overall operating result; accordingly, the Group has only one operating segment. For the six months ended June 30, 2025 and 2024, the information of operating segments is consistent with the information in the consolidated financial statements.

(2) Information about profit or loss, assets of the reportable segments and their measurement and reconciliations.

The Group’s reportable segment profit (loss), segment assets, and segment liabilities were consistent with those stated in the consolidated financial statements; please refer to the consolidated balance sheet and consolidated statement of comprehensive income.