

Stock code: 3317

Niko Semiconductor Co., Ltd.

Niko-Sem

Handbook for the 2023 Annual Meeting of Shareholders [Translation]

Date: 9:00am on Jun. 7, 2023 (Wednesday)

Place: Floor 1, No. 21, Lane 169, Kangning Street, Xizhi District, New Taipei City

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Niko Semiconductor Co., Ltd.
2023 Annual Shareholders' Meeting Agenda

Convening method: Physical shareholders' meeting

Time: 9:00 a.m. on June 7, 2023 (Wednesday)

Location: 1F, No. 21, Lane 169, Kangning Street, Xizhi District, New Taipei City

I. Announce a meeting (Report the number of attending shareholders)

II. Address by the chairman

III. Report Items

(I) 2022 Business Report

(II) 2022 Audit Committee's Review Report

(III) 2022 Employee's profit sharing bonus, director's and supervisor's compensation

(IV) 2022 Earnings Distribution of cash dividends

IV. Proposed Resolutions

(I) 2022 Business Report and Financial Statements (including consolidated financial statements)

(II) Distribution of 2022 earnings

V. Matters for Discussion

(I) The new share issue through capitalization of earnings

(II) Amendment to Provisions of "Rules of Procedure for Shareholders' Meetings" of the Company

VI. Extempore Motions

VII. Adjournment

[Reports Items]

I. Please check the Business Report of 2022.

Instructions: Please refer to Annex I on Page 6-12 of this manual for the company's Business Report of 2022.

II. Please check the Audit Committee's Review Report of 2022.

Instructions: Please refer to Annex II on Page 13 of this manual for the Audit Committee's Review Report of 2022.

III. Please check the Report on Employee's profit sharing bonus, director's and supervisor's compensation of 2022.

Instructions: According to the regulations of Article 19 of the company's Articles of Association, remuneration of directors and supervisors was NTD 27,199,779 and employees NTD 95,199,227 in 2022, which has no difference with the estimated amount on the account.

IV. Please check the report on Earnings Distribution of cash dividends of 2022.

Instructions: According to the regulations of Article 19 of the company's Articles of Association, Board of Directors is authorized to issue all or part of the dividends and bonuses payable in cash and report it to Board of Shareholders. Shareholders' dividends NTD 24,500,620 were withdrawn from surplus of 2022 and distributed in cash. NTD 0.4 was issued for per share.

[Proposed Resolutions]

Proposal 1

Cause of proposal: 2022 Business Report and Financial Statements (including consolidated financial statements). (Proposed by Board of Directors)

- Instructions:
1. The company's financial statements and consolidated financial statements of 2022 have been audited by the CPA Fu, Hong-Wen and Hong, Shi-Gang of KPMG Taiwan. An unqualified opinion in the auditor's report was issued.
 2. Business Report and above financial statements passed by the resolution of Board of Directors are attached. Please refer to Annex I on Page 6-12 and Annex III on Page 14-31 of this manual.
 3. Submit for admission.

Resolution:

Proposal 2

Cause of proposal: Distribution of 2022 earnings. (Proposed by Board of Directors)

Instructions: 1. Details about Surplus Distribution Table of the company of 2022 are as follows:

Niko Semiconductor Co., Ltd.
Statement of Surplus Distribution
2022

Item	Unit: NT\$ Amount
Undistributed surplus at beginning of period	794,134,293
Current net profit after tax	433,492,300
Add: Determined benefits plan liquidation profit and loss	1,016,000
Add: Special reserve	356,892
Amount of current net profit after tax plus items beyond current net profit after tax included in the current undistributed surplus	434,865,192
Minus: Legal reserve	(43,486,519)
Available surplus	1,185,512,966
Surplus distribution items:	
Shareholder dividends-(Cash dividends per share NT\$ 0.4)	24,500,620
Shareholder dividends-(Stock dividends per share NT\$ 1.6)	98,002,480
Undistributed surplus at end of period	1,063,009,866

Note:

1. The cash dividend is calculated to NT\$ yuan according to the distribution ratio, and the total amount of abnormal zero payments less than NT\$ yuan will be adjusted from the decimal point number to the small one and the account number from the front to the back to meet the total cash dividend distribution.
2. According to the provisions of T.C.S. No. 871941343 of the Ministry of Finance of Taiwan on April 30, 1998, priority will be given to the distribution of the latest surplus by means of individual identification.
3. In the event of any subsequent change in the interest rate of shareholders due to the change in the Company's share capital affecting the shares held outside the Company, the Board of Directors shall authorize the chairman of the Board of Directors to handle all matters related to the change.

2. Submit for admission.

Resolution:

[Matters for Discussion]

Proposal 1

Cause of proposal: The new share issue through capitalization of earnings, proposed for discussion (by the Board of Directors)

- Instructions: 1. For the further development of company business, the Company proposed to allocate bonus to shareholders NT\$98,002,480 from 2022 distributable earnings to transfer as capital increase by issuance of new stock (common stock) in total 9,800,248 shares with the face value of 10 NT dollars per share.
2. According to the shares listed in the register of shareholders on the base date of capital increase and allotment, 160 shares will be distributed free of charge for per thousand shares. If the allotment is less than one share, the shareholders will combine them into whole shares by themselves within five days from the date when the transfer of capital increase and allotment is closed. And register with the company's stock affairs agency. Overdue processing or less than one share after the merger, according to Article 240 of the Company Law, change the cash and calculate it up to yuan (round down below yuan), and authorize the chairman of the board of directors Negotiate with a specific person to subscribe at face value.
 3. Regarding the new share issued for capital increase, the rights and obligations are the same as the originally issued common stock, and they are issued without entity.
 4. If there is a subsequent change in the number of outstanding shares due to changes in the company's share capital, and if the allotment ratio of shareholders changes accordingly, it is proposed to submit to the shareholders' meeting to authorize the Board of Directors to handle matters related to the change.
 5. The Board of Directors shall set a base date for the capital increase and allotment of new shares once the resolution of the Annual shareholders' meeting is passed and submitted to the competent authority for approval of the plan for capital increase and new share issuance. If it is modified by the competent authority, or needs to be modified in response to objective circumstances, it is proposed to submit to the shareholders' meeting to authorize the board of directors to handle it with full authority.
 6. It is hereby proposed for discussion.

Resolution:

Proposal 2

Cause of proposal: Amendment to Provisions of “Rules of Procedure for Shareholders’ Meetings” of the Company, proposed for discussion (by the Board of Directors)

- Instructions:
1. Cooperate with the company law to open public offering companies to hold shareholders' meetings via video conferencing and the amendments to the "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings ", amendment to provisions of “Rules of Procedure for Shareholders’ Meetings” of the Company
 2. Please refer to Annex IV on pages 32-45 of this manual for comparison table of provisions of “Rules of Procedure for Shareholders’ Meetings” before and after amendment.
 3. It is hereby proposed for discussion.

Resolution:

[Extempore motions]

[Adjournment]

Niko Semiconductor Co., Ltd. Business Report

In 2022, factors such as international inflation and the Ukrainian-Russian War will act as catalysts for global changes, and the economy will face negative impacts. The consumer electronics industry will also suffer from a sharp increase in inventory and a sharp drop in buying sentiment. According to a report released by the International Data Corporation (IDC) on 1/10, global shipments of personal computers (PC) in the fourth quarter of 2022 were lower than market expectations, with a sharp drop of more than 28% compared with the same period in 2021. The report shows that in 2022 Global PC shipments in the fourth quarter of 2022 were 67.2 million units, a year-on-year decrease of 28.1%, which is comparable to that in the fourth quarter of 2018. However, despite this, the annual PC shipments in 2022 are still much higher than the level before the epidemic. Reached 292.3 million units. as shown in Table 1.

Table 1 Shipment Volume, Market Share and Annual Growth Rate of Global Top-5 Computer Brands in 2022					
Brand	Shipment volume in 2022	Market share in 2022	Shipment volume in 2021	Market share in 2021	2022/2021 Growth
1. Lenovo	68.0	23.3%	81.8	23.4%	-16.9%
2. HP Inc.	55.3	18.9%	74	21.1%	-25.3%
3. Dell	49.8	17.0%	59.3	16.9%	-16.1%
4. Apple	28.6	9.8%	27.9	8.0%	2.5%
5. ASUS	20.6	7.0%	21.8	6.2%	-5.7%
Others	70.1	24.0%	85.2	24.2%	-17.8%
Total	292.3	100.0%	350.1	100.0%	-16.5%
Source: IDC Quarterly Personal Computing Device Tracker, January 10, 2023					
Remark: Preliminary results, shipments are in millions of units					

ASPs also fell in many sales channel as excess inventory in the second half of 2022 triggered discounts to boost demand, IDC said. But despite these efforts, inventory management of finished goods and components remains an important topic in the first half of 2023. Observing 2023, the overall economic situation has not improved in the first half of the year, corporate IT spending is still relatively conservative, and it is expected that the inventory depletion situation will continue until the first half of 2023, so PC are expected to continue to decline slightly in 2023, but the overall market will continue to decline. The growth will resume in 2024, which is due to the fact that Microsoft is about to end the update and support for Windows 10, as shown in Table 2.

Table 2: PC Shipment Volumes for Y2023~Y2026

	Y2023	Y2024	Y2025	Y2026
NB Shipments	181.9	196.8	211.6	203.6
DT Shipments	76.1	75.1	76	73.4
Total	258	271.9	287.6	277

*MIC 2022/12/20

*Unit: 1 million sets

Looking into 2023, according to the business climate survey published by the Taiwan Economic Research Institute on January 31, 2023, major forecasting agencies currently predict that the global economic performance will slow down sharply in 2023, and even the economic growth in Europe and the United States may fall into recession. The problem of inflation persists. At the time when economic growth and inflation are in a dilemma, most countries adopt strategies of raising interest rates and shrinking their balance sheets, resulting in continued decline in economic growth. Although inflation in Europe and the United States has slowed down recently, the pace of interest rate hikes is expected to slow down, but because inflation is still far from the target, the Fed and ECB have not stopped raising interest rates. Considering the impact of monetary policy on employment and consumption is relatively lagging, the global economy is at risk of a full-blown and severe recession.

In addition, despite the continuous innovation of semiconductor high-end product technology, the scale of the advanced process market continues to expand, and the demand for automotive electronics and industry is still there, helping to support the operating performance of electronics manufacturers. However, the global semiconductor market demand is not as expected, resulting in customers continuous reduction and delay of orders has also caused the capacity utilization rate of related domestic companies to decline. Therefore, the electronics-related industries still tend to be normal or slow in their views on the prosperity. In view of the continued weak sales momentum of important global terminal electronic products, which has led to a slowdown in the purchase momentum of related businesses, suppliers are adjusting to the weak demand in the first half of 2023, but it is generally believed that demand is expected to pick up in the second half of the year.

The products of the Company are widely used in various fields, and we lay out new business opportunities in advance, and invest resources to develop related technologies and new products. In terms of sales and considering gross profit, the product portfolio is adjusted, the PC market is the main market, and the proportion of non-PC market is increased year by year. The relevant operating results and plans are as follows:

I. Implementation Result of Business Plan

(i) Implementation Result of Business Plan

The net amount of consolidated operating income of the Company in 2022 was NT\$ 2,613,483,000, reduced by 9% from NT\$ 2,858,970,000 in the previous year (2021). The consolidated net profit after tax was NT\$ 433,492,000, which increase by NT\$ 79,424,000 compared with the net profit after tax of NT\$ 354,068,000 in the previous year (2021). The earnings per share in the whole year of 2022 was NT\$ 7.08, and the earnings per share in the previous year (2021) was NT\$ 5.78.

(ii) Execution Situation of Budget

The Company didn't formulate financial forecasting in 2022. However, according to the budget of internal management, the net amount of consolidated operating income in 2022 was NT\$ 2,613,483,000, which has reached 83% of the budget target in 2022; The consolidated net profit after tax is NT\$ 433,492,000, which is an increase of NT\$ 148,970,000 compared with the estimated net profit after tax target of NT\$ 284,522,000 in 2022.

(iii) Analysis of financial revenue and expenditure and profitability

Profitability Analysis	Analysis Item	2022	2021
	Return on Asset (%)	13.21	12.64
	Return on Equity (%)	17.38	16.34
	Ratio of net profit before tax to paid-in capital (%)	91.08	73.11
	Profit Margin (%)	16.59	12.38
	Earnings per Share (NT\$)	7.08	5.78

(iv) Research and development situation

The research and development expenditure of the Company in 2022 was NT\$ 179,081,000, and its main development status is as follows:

Year	R&D Result
2022	1. Successful platform development of the 5th-generation Low gate Charge MV MOSFET
	2. Successful product development of the 2nd-generation DrMOS power application MOSFET
	3. Successful of product development of the 5th-generation Low gate Charge LV MOSFET
	4. Successful of platform development of the 2nd-generation 40V Low gate Charge MOSFET
	5. Successful of product development of the 3rd-generation Load Switch MOSFET product series
	6. Successful of platform development of the 5th-generation WLCSP
	7. Successful of platform development of the 2nd-generation silicon carbide 1200V Power MOSFET

Year	Estimated development project
2023	1. Platform development of Low gate Charge LV MOSFET with SBD
	2. Continuous product development of the 4th-generation PowerFET
	3. Product development of the 5th-generation Low gate Charge MV MOSFET product series
	4. Continuous product development of the 3rd-generation SyncPAK power application MOSFET
	5. Product development of the 2nd-generation DrMOS power application MOSFET product series
	6. Product development of the 5th-generation Low gate Charge LV MOSFET product series

Year	Estimated development project
	7. Platform development of the 3rd-generation 40V Low gate Charge MOSFET
	8. Platform development of the 4th-generation Load Switch MOSFET
	9. Platform development of the 6th-generation Low gate Charge MV MOSFET
	10. Product development of the 2nd-generation silicon carbide 1200V Power MOSFET
	11. Platform development of the 3rd-generation silicon carbide 1200V Power MOSFET
	12. Continuous development of wide band gap GaN 650V

II. Summary of Business Plan

(i) Operation Guideline

1. Main Guideline: To provide customers with complete and cost-effective power component product lines and services in the power supply solutions of various types of electronic and electrical products, and become a trusted partner of customers.
2. Product and Technique: Strengthen the development of high-end PC products, and integrate IC to launch mainstream products for core power applications, thus breaking through the monopoly of foreign investors. In addition, we continue to expand the application fields of products, and develop new products with small size package, high voltage and high current, and the 3rd generation semiconductor materials technology for the power management and charging needs of vehicles, mobile devices and industries.
3. Management: Optimize the organizational structure, clarify and standardize the responsibilities and target of each functional unit, and bring into play the organizational benefits. Systematize the product development process, set up risk control points and conduct immediate review to improve the product success rate. Continuously improve the operation process of the production and marketing system, adjust the supply and demand plan in real time in response to market trends, changes in economic situation and end-customer needs, optimize the supply and effectively control the inventory.
4. Sales and Service: Gradually invest resources in major wafer factory to establish technical platforms to develop a full series of products, expand sales scale and avoid over-reliance on the single wafer factory. Based on PC products, we strive for sales growth and stable gross profit. The non-PC market locks in the main and key development customers in various fields, concentrates resources to provide in-depth services, and increases the proportion of sales year by year.

(ii) Expected sales quantity and its basis

1. Selling products: High, medium and low voltage power metal oxide semiconductor

field-effect transistors (Power MosFET) are the main products, power modules and a few power management IC related products.

2. Main market objectives: Pan-PC products such as mainboard, laptop computer, server, tablet computer, GPU display card, fan and their peripheral power devices, as well as related applications such as TV/Monitor display panel, automotive rear-mounted electronic, uninterruptible power system (UPS), Power Bank, electronic cigarette, battery BMS, brushless motor, etc., and successively develop markets such as on-board chargers (OBC), charging piles, and wireless charging for electric vehicles.
3. Because the Company didn't formulate financial forecasting in 2023, there are no expected sales quantity and amount data.

(iii) Important research and sales policies

1. Strengthen R&D energy, invest in the development of medium high voltage product lines, and expand applications outside the PC market. Use the bases in South China and East China to strengthen services and actively expand business in mainland China.
2. Through the careful evaluation process, the MosFET and IC design into modules, such as DrMOS, IPM, etc., are designed and integrated according to the case and industry cooperation, so as to upgrade the technical level of products and provide more comprehensive power supply solutions.
3. According to the scale and attributes of customers, formulate individual price, production and marketing strategies to meet the needs of different markets, regions and applications.
4. Stabilize all supplier partner relationships, reduce production supply risk. Focusing on the Company's medium and long-term development and growth, we will cooperate with upstream raw materials, wafer and packaging factories in project strategy, develop new processes, new materials and technologies and new packaging, enhance product competitiveness and lay out new product lines. Obtain supply from upstream fabs and expand total packaging capacity.

III. The company's future development strategy and the influence of external competitive environment, law environment and overall business environment

(i) Development strategy:

1. The division of labor and cooperation among market research and product planning, technology research and development, and engineering support units is clearly defined in the product development process, and all stages and steps are included in ISO systematic control. Continuously build engineering and technical capabilities for different product lines, expand related instruments and equipment, match the original measurement and reliability equipment, develop high-efficiency and

high-quality products, and follow up foreign specifications to strengthen the brand characteristics and value of the company.

2. Customer and market orientation, deepening product planning and evaluation, low, medium and high specification products shall be considered together, and priority shall be set to develop and improve in stages to meet the diversified application needs of customers.
3. Integrate power components and IC, continuous develop new modular products, and focus on home appliances and automotive markets, in order to provide customers with cost-effective choices.
4. The Company is positioned as a provider of various types of power management solutions, developing towards Fabless design company with full range of power component products and integrated services, and becoming a partner with customer trust and long-term cooperation.

(ii) Influence of external competitive environment, law and overall business environment

1. Market: Global shipments of traditional PC in the fourth quarter of 2022 (4Q22) are comparable to the fourth quarter of 2018, showing that the market boom that benefited from the COVID-19 epidemic period has come to an end. Affected by the global recession, rising inflation and rising interest rates are expected to have a significant impact on PC demand. Many consumers have already bought relatively new PC during the pandemic, so there is a lack of momentum to buy new machines, causing demand for PC to fall to its lowest level in years. The market generally believes that some PC markets may not return to growth until the end of 2023, while the overall market will recover in 2024.
2. External environment: Looking forward to 2023, new central processing units and operating systems will be launched one after another. Combining with new applications such as 5G, AI and cloud, it will stimulate new consumer behavior in PC industry. In addition, the demand for automotive semiconductors recovered strongly in 2020Q4, and the upsurge of electric vehicles was in the ascendant. All car manufacturers expanded their R&D energy, which promoted the demand to expand further. How to master the production capacity and resources of semiconductor wafer and package testing has become the most important issue for companies in IC industry.
3. Strategy ally: Market demand slows down in 2023, but the competition in the same industry will become more intense. In the face of severe competition, it is necessary to plan the Company's medium and long-term development with flexible and open thinking. On the one hand, by combining upstream strategic partners and investing funds when necessary, it can ensure

production capacity supply and new process development; On the other hand, we shall actively seek opportunities of industry alliance with high complementarity to jointly develop new products and achieve a win-win situation.

4. Law: After several years of multi-directional adjustment, the company is in good health, and there are no internal factors that impact the operation at this stage. All the business policies formulated by the company can operate in compliance with laws and regulations, and have been widely recognized by customers for many years, showing brand value.

Finally, I wish all shareholders, ladies and gentlemen, have safe family!

[Annex II]

Audit Committee's Review Report

Hereby

The Board of Directors has prepared and submitted the business report, individual financial reports, consolidated financial reports and earnings distribution proposals and other books of the company in 2022. Among which, individual financial reports and consolidated financial reports have been audited by CPA Fu, Hong-Wen and Hong, Shi-Gang of KPMG Taiwan. An unqualified opinion in the auditor's report was issued. The Audit Committee has reviewed the business report, individual financial reports, consolidated financial reports and earnings distribution proposal, and finds no material misstatement. In accordance with the Securities and Exchange Act, Article 14-4 and the Company Law, Article 219, the Committee hereby submits the review report.

To

2023 Annual Shareholders' Meeting of Niko Semiconductor Co., Ltd.

Niko Semiconductor Co., Ltd.

Audit Committee convener: Wang, Kai-min

Mar. 17, 2023

[Annex III]

Auditor's Report

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

Audit opinions

The Balance Sheet of Dec. 31, 2021 and Dec. 31, and 2022, and Statement of Comprehensive income, Statement of Changes in Equity and Statement of Cash Flows, and individual Financial Reports Notes (including summary of major accounting policies) from Jan. 1 to Dec. 31 of 2021 and 2022 of Niko Semiconductor Co., Ltd. have been audited by the accountant.

According to the accountant's opinions, the individual Financial Reports are prepared according to the preparation standards of Financial Reports of securities issuer in all the major aspects based on the accountant's audit results and other accountants' audit reports (please refer to the section of other matters), which are sufficient to fairly reflect the financial status of Niko Semiconductor Co., Ltd. on Dec. 31 of 2021 and 2022 and financial performance and cash flows of the company from Jan. 1 to Dec. 31 of 2021 and 2022.

Basis for audit opinions

The accountant carries out audit work according to the rules of accountant's audit certificate of financial statements and auditing standards. The accountant's responsibilities under the standards will be further explained in the responsibility section when the accountant audits the individual Financial Reports. In accordance with the code of professional ethics for accountants, the personnels of the accounting firm who are subject to the code of independence have maintained their independence from Niko Semiconductor Co., Ltd. and fulfilled other responsibilities of the code. Based on the accountant's audit results and other accountants' audit reports, the accountant believes that the accountant has obtained sufficient and appropriate audit evidences as basis for audit opinions.

Other matters

The partial investment Financial Reports adopted with equity method listed into the Niko Semiconductor Co., Ltd. have not been audited by the accountant and they are audited by other accountants. Therefore, among the accountant's opinions on individual Financial Reports, the amount listed aiming at the Financial Reports not audited by the accountant is based on the audit reports of other accountants. The aforementioned investment by equity method listed on Dec. 31,

2021 and Dec. 31, 2022 are occupied 2% and 4% of total assets and the share of affiliated enterprise's profit and loss by equity method listed from Jan. 1 to Dec. 31 of 2021 and 2022 are occupied 2% and 0% of net profit before tax.

Key audit matters

Key audit matters refer to the most important matters to the audit of individual Financial Reports of Niko Semiconductor Co., Ltd. in 2022 according to the professional judgment of the accountant. The matters have been response in the process of auditing the overall individual Financial Reports and forming audit opinions. The accountant does not separately express opinions on the matters. The key audit matters which shall be shown on the audit report according to the accountant's judgment are as follows:

Inventory evaluation

Please see details about the accounting policies related to inventory in individual Financial Reports Note 4(7); please see details about uncertainty of the accounting estimate and hypothesis of inventory evaluation in individual Financial Reports Note 5; please see details about inventory and related loss in individual Financial Reports Note 6(4).

Instructions on the key audit matters:

Inventory is measured by the lower of cost and net realizable value. Because technology changes rapidly, update of new products and technology affects market demand. It might generate the risk that inventory cost exceeds its net realizable value. Because the available for sale of inventory will affect its value evaluation and continuous attention is required. Inventory is the important asset item of individual Financial Reports. Therefore, inventory evaluation is one of the important matters that the accountant audits the Financial Reports of Niko Semiconductor Co., Ltd.

How to response to the matter in audit

The audit works carried out by the accountant include: understand inventory depreciation loss provision policy of Niko Semiconductor Co., Ltd. and check its inventory evaluation has been carried out according to existing accounting policies, including implementation of sampling procedure and check of correctness of inventory ages, analysis on change circumstances of inventory ages in various periods; check of reasonableness of withdrawal of the authority of inventory reserves loss in the past and comparison with the method and hypothesis of current inventory reserves loss estimated to evaluate whether the estimate method and hypothesis of

current inventory reserves loss are fair and appropriate. Check the post-term sales status of inventory to evaluate the reasonableness of estimate of inventory reserves evaluation.

Responsibilities of management layer and governance unit on individual Financial Reports

Responsibility of management layer is to prepare the individual Financial Reports with fair and appropriate expression according to the preparation standards of Financial Reports of securities issuer and maintain the necessary internal control related to preparation of individual Financial Reports to ensure that there is no significant misrepresentation caused by fraudulent practices or error in the individual Financial Reports.

When preparing the individual Financial Reports, the responsibility of management layer includes evaluation of sustainable operation ability of Niko Semiconductor Co., Ltd., disclosure of related matters and continuous operation accounting base, unless management layer intends to liquidate Niko Semiconductor Co., Ltd. or stop business, or there are no other feasible solutions except for liquidation or stoppage of business.

Governance unit (including Audit Committee) of Niko Semiconductor Co., Ltd. bears the responsibility of supervising the process of financial report.

Accountant's responsibility in audit of individual Financial Reports

The purpose of the accountant's audit of individual Financial Reports is to obtain reasonable assurance about whether the individual Financial Reports exist significant misrepresentation caused by fraudulent practices or error and issue audit report. Reasonable assurance is high assurance. The audit work carried out according to auditing standards cannot guarantee to find that individual Financial Reports exist significant misrepresentation. False expression might be caused by fraudulent practices or error. If the individual amount or total number of false expression can reasonably predict the economic decision that will influence the user of individual financial statements, then it will be deemed as significance.

When the accountant audits according to auditing standards, the accountant will use professional judgment and keep professional doubt. The accountant also carries out the following works:

1. Recognize and evaluate the significant misrepresentation risk of individual Financial Reports caused by fraudulent practices or error; design and implement the appropriate response to the evaluated risk; obtain sufficient and appropriate audit evidences as basis for audit opinions. Because fraudulent practices might involve in collusion, forge, intentional omission, false statement or exceeding internal control, the risk of significant

misrepresentation caused by fraudulent practices is not found is higher than that of error.

2. Obtain necessary understanding on the internal control related to audit to design the appropriate audit procedures under the situation. The purpose is not to express opinions on the effectiveness of internal control of Niko Semiconductor Co., Ltd.
3. Evaluate the appropriateness of the accounting policies adopted by management layer and the reasonableness of the accounting estimate and related disclosure made by it.
4. According to the obtained audit evidences, make conclusion on the appropriateness of the continuous operation accounting base adopted by the management layer and whether the event or situation which might generate major doubt about the sustainable operation ability of Niko Semiconductor Co., Ltd. exists major uncertainty or not. If the accountant thinks that the event or situation exists major uncertainty, the accountant shall remind the user of individual Financial Reports to pay attention to the relevant disclosure of individual Financial Reports in the audit report or correct audit opinions when the disclosure belongs inappropriateness. The accountant's conclusion is based on the audit evidences obtained as of audit report date. However, the future event or situation might lead to that the Niko Semiconductor Co., Ltd. will not have sustainable operation ability.
5. Evaluate the overall expression, structure and contents of individual Financial Reports (including relevant Notes) and whether the individual Financial Reports fairly and appropriately express relevant trades and events.
6. Obtain sufficient and appropriate audit evidences about the financial information of the invested company adopting equity method to express opinions on individual Financial Reports. The accountant is responsible for guiding, supervising and implementing the audit case and forming audit opinions of Niko Semiconductor Co., Ltd.

The matters communicated by the accountant with governance unit include planned audit scope and time and major audit findings (including the internal control significant loss recognized in the process of audit).

The accountant also provides the governance unit with the statement that the personnels of the accounting firm who are subject to the code of independence have abided by the related independence in the code of professional ethics of accountant and communicates with governance unit about all the relations which might be thought to affect the accountant's independence and other matters (including related prevention and protection measures).

The accountant will decide the key audit matters to the audit of individual Financial Reports of Niko Semiconductor Co., Ltd. in 2022 from the matters communicated with governance unit. The accountant will clearly state the matters in the audit report, unless the special matter is forbidden by laws for public disclosure, or under rare situation, the accountant will decide not to communicate the special matter in the audit report, because it can be reasonably expected that the negative impact of this communication will be greater than the public interest.

KPMG Taiwan
Fu, Hong-Wen
Hong, Shi-Gang
March 17, 2023

Notice to Readers

The accompanying financial statements are intended only to present the 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 financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent 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. 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 financial statements shall prevail.

Niko Semiconductor Co., Ltd.

Balance Sheet

Dec. 31 of 2021 and 2022

Unit: NTD thousand

		2022.12.31		2021.12.31				2022.12.31		2021.12.31	
		Amount	%	Amount	%			Amount	%	Amount	%
Assets						Liabilities and equity					
Current assets:						Current liabilities:					
1100	Cash and equivalent cash (Note 6(1))	\$ 1,152,180	34	1,152,855	37	2120	Financial liabilities measured at fair value				
1110	Financial assets measured at fair value	317	-	-	-		through profits and losses - Current(Note 6(2))	\$ -	-	1,909	-
	through profits and losses - Current(Note 6(2))					2170	Accounts payable	432,458	13	523,377	17
1170	Net accounts receivable(Note 6(3) and (13))	737,473	22	954,195	30	2180	Accounts payable-Related parties (Note 7)	66	-	2,047	-
1180	Accounts receivable – Net amount of Related parties(Note 6(3) 、(13) and 7)	-	-	30,864	1	2200	Other payables (Note 7)	226,442	7	200,648	7
1200	Other receivables(Note 7)	17,541	-	15,783	1	2230	Current income tax liabilities	81,403	2	67,167	2
130X	Inventory (Note 6(4))	813,024	24	393,774	13	2300	Other current liabilities(Note 6(13) and 7)	2,776	-	9,081	-
1470	Other current assets(Note 9)	44,061	1	14,108	-		Total current liabilities	743,145	22	804,229	26
	Total current assets	2,764,596	81	2,561,579	82		Non-current liabilities:				
Non-current assets:						2600	Other non-current liabilities(Note 6(9) and (10))	3,787	-	11,286	-
1550	Investments by equity method(Note 6(5) and 7)	197,073	6	115,379	4		Total non-current liabilities	3,787	-	11,286	-
1600	Property, plant and equipment (Note 6(6) and 8)	302,750	9	288,195	9		Total liabilities	746,932	22	815,515	26
1760	Net Investment property (Note 6(7) and 8)	70,970	2	71,577	2		Equity:				
1840	Deferred income tax assets(Note 6(10))	11,789	-	11,830	-	3110	Capital stock of common stock(Note 6(11))	612,515	18	612,515	20
1900	Other non-current assets(Note 9)	74,684	2	80,522	3	3200	Capital reserves(Note 6(11))	630,512	18	630,512	20
	Total non-current assets	657,266	19	567,503	18	3310	Legal reserves(Note 6(11))	202,903	6	167,537	5
						3320	Special reserves(Note 6(11))	3,645	-	3,306	-
						3350	Undistributed earnings (Note 6(11))	1,228,643	36	903,342	29
						3410	Other equity	(3,288)	-	(3,645)	-
							Total equity	2,674,930	78	2,313,567	74
Total assets		\$ 3,421,862	100	3,129,082	100	Total liabilities and equity		\$ 3,421,862	100	3,129,082	100

The accompanying notes are an integral part of the parent company only financial statements

Niko Semiconductor Co., Ltd.
Statements of Comprehensive Income
Jan. 1 to Dec. 31 of 2021 and 2022

		Unit: NTD thousand			
		2022		2021	
		Amount	%	Amount	%
4000	Operating income (Note 6(13) and 7)	\$ 2,613,483	100	2,858,970	100
5000	Operating costs (Note 6(4), (9), (14), 7 and 12)	1,803,052	69	2,014,162	70
	Gross operating profits	810,431	31	844,808	30
	Operating expenses (Note 6(3), (9), (14), 7 and 12):				
6100	Sales promotion expenses	125,992	5	124,980	4
6200	Management expenses	136,370	5	139,133	5
6300	Research and development expenses	174,479	7	133,906	5
6450	Expected credit impairment loss (Reversal benefit)	(320)	-	102	-
	Total operating expenses	436,521	17	398,121	14
	Net operating profits	373,910	14	446,687	16
	Non-operating income and expenditure :				
7010	Other income (Note 6(15) and 7)	5,954	-	6,459	-
7020	Other profit and loss (Note 6(15))	145,774	6	(13,411)	-
7050	Financial costs (Note 6(15))	-	-	(7)	-
7060	Share of interests of subsidiaries and affiliated enterprises recognized by equity method	31,957	1	7,728	-
	Total non-operating income and expenditure	183,685	7	769	-
	Net profit before tax	557,595	21	447,456	16
7950	Minus: Income tax expenses (Note 6(10))	124,103	4	93,388	4
	Net profit	433,492	17	354,068	12
8300	Other comprehensive income:				
8310	Items not reclassified to profit and loss				
8311	Remeasurements of defined welfare plans (Note 6(9))	1,270	-	(504)	-
8330	Share of Other comprehensive income of subsidiaries and affiliated enterprises recognized by equity method	(669)	-	-	-
8349	Income tax related to items not reclassified (Note 6(10))	(254)	-	101	-
		347	-	(403)	-
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	1,282	-	(423)	-
8399	Income tax related to items that may be reclassified (Note 6(10))	(256)	-	84	-
	Total items that may be reclassified to profit and loss in subsequent periods	1,026	-	(339)	-
8300	Other comprehensive income	1,373	-	(742)	-
	Total comprehensive income	\$ 434,865	17	353,326	12
	Earnings per share (NTD) (Note 6(12))				
	Basic earnings per share (NTD)	\$ 7.08		5.78	
	Diluted earnings per share (NTD)	\$ 6.85		5.67	

The accompanying notes are an integral part of the parent company only financial statements

Niko Semiconductor Co., Ltd.
Statement of Changes in Equity
Jan. 1 to Dec. 31 of 2021 and 2022

Unit: NTD thousand

	Capital stock of common stock	Capital reserves	Retained Earnings			Items of Other Equity		Total Equity
			Legal reserves	Special reserves	Undistributed Earnings	Exchange differences on the translation of foreign operating organizations	Unrealized gain or loss on financial asset measured at fair value through Other comprehensive income	
Balance on Jan. 1, 2021	\$ 612,515	630,512	149,013	3,594	629,165	(3,306)	-	2,021,493
Net profit	-	-	-	-	354,068	-	-	354,068
Other comprehensive income	-	-	-	-	(403)	(339)	-	(742)
Total comprehensive income	-	-	-	-	353,665	(339)	-	353,326
Appropriation and distribution of earnings:								
Withdrawn legal reserves	-	-	18,524	-	(18,524)	-	-	-
Reverse special reserves	-	-	-	(288)	288	-	-	-
Cash dividend of common stock	-	-	-	-	(61,252)	-	-	(61,252)
Balance on Dec. 31, 2021	612,515	630,512	167,537	3,306	903,342	(3,645)	-	2,313,567
Net profit	-	-	-	-	433,492	-	-	433,492
Other comprehensive income	-	-	-	-	1,016	1,026	(669)	1,373
Total comprehensive income	-	-	-	-	434,508	1,026	(669)	434,865
Appropriation and distribution of earnings:								
Withdrawn legal reserves	-	-	35,366	-	(35,366)	-	-	-
Withdrawn special reserves	-	-	-	339	(339)	-	-	-
Cash dividend of common stock	-	-	-	-	(73,502)	-	-	(73,502)
Balance on Dec. 31, 2022	<u>\$ 612,515</u>	<u>630,512</u>	<u>202,903</u>	<u>3,645</u>	<u>1,228,643</u>	<u>(2,619)</u>	<u>(669)</u>	<u>2,674,930</u>

The accompanying notes are an integral part of the parent company only financial statements

Niko Semiconductor Co., Ltd.
Cash Flows Statement
Jan. 1 to Dec. 31 of 2021 and 2022

Unit: NTD thousand

	<u>2022</u>	<u>2021</u>
Cash flows of operating activities:		
Current net profit before tax	\$ 557,595	447,456
Items of adjustment:		
Income expense loss item		
Depreciation expenses	20,405	18,794
Amortization expenses	218	59
Expected credit impairment loss (reversal benefit)	(320)	102
Net loss (profit) of financial assets and liabilities by fair value through profit and loss	(2,226)	5,723
Interest expenses	-	7
Interest income	(2,480)	(226)
Share of profit or loss of subsidiaries and affiliated enterprises recognized by equity method	(31,957)	(7,728)
Other	49,695	(6,551)
Total income expense loss item	<u>33,335</u>	<u>10,180</u>
Changes in assets and liabilities related to operating activities:		
Accounts receivable (including related parties)	247,906	(86,275)
Other receivables	(1,758)	(5,917)
Inventory	(468,945)	34,821
Other current assets	(18,903)	(963)
Long-term prepayment	(6,357)	(82,066)
Total net changes in assets related to operating activities	<u>(248,057)</u>	<u>(140,400)</u>
Accounts payable (including related parties)	(92,900)	250,906
Other payables	25,683	69,867
Other current liabilities	(6,305)	5,010
Net defined benefit liabilities	(2,231)	(2,223)
Total net changes in liabilities related to operating activities	<u>(75,753)</u>	<u>323,560</u>
Total net changes in assets and liabilities related to operating activities	<u>(323,810)</u>	<u>183,160</u>
Total items of adjustment	<u>(290,475)</u>	<u>193,340</u>
Cash inflow from operations	267,120	640,796
Collected interest	2,480	226
Paid interest	-	(7)
Paid income tax	(108,641)	(44,872)
Net cash inflow from operating activities	<u>160,959</u>	<u>596,143</u>
Cash flows of investment activities:		
Obtain investments accounted for using equity method	(49,000)	-
Property, plant and equipment	(34,353)	(15,199)
Decrease in refundable deposits	2,515	4,994
Obtained intangible assets	(1,588)	-
Decrease in other current assets	-	3,744
Net cash outflow from investment activities	<u>(82,426)</u>	<u>(6,461)</u>
Cash flows from financing activities:		
Increase (decrease) in deposits received	(5,706)	5,699
Distribution of cash dividends	(73,502)	(61,252)
Net cash outflow from financing activities	<u>(79,208)</u>	<u>(55,553)</u>
Current increase (decrease) of cash and equivalent cash	(675)	534,129
Balance of cash and equivalent cash at the beginning of the period	<u>1,152,855</u>	<u>618,726</u>
Balance of cash and equivalent cash at the ending of the period	<u><u>\$ 1,152,180</u></u>	<u><u>1,152,855</u></u>

The accompanying notes are an integral part of the parent company only financial statements

Auditor's Report

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

Audit Opinions

The Consolidated Balance Sheet of Dec. 31, 2021 and Dec. 31, 2022, and Consolidated Statement of Comprehensive income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows and Consolidated Financial Reports annotations (including summary of major accounting policies) from Jan. 1 to Dec. 31 of 2021 and 2022 of Niko Semiconductor Co., Ltd. and its subsidiary (Niko Semiconductor Group) have been audited by the accountant.

According to the accountant's opinions, the Consolidated Financial Report are prepared according to the preparation standards of Financial Reports of securities issuer, and international financial report standards, international accounting standards, interpretation and interpretation announcement recognized and issued by Financial Supervisory Commission in all the major aspects based on the accountant's audit results and other accountants' audit reports (please refer to the section of other matters), which are sufficient to fairly reflect the consolidated financial status of Niko Semiconductor Group on Dec. 31 of 2021 and 2022 and consolidated financial performance and consolidated cash flow of the group from Jan. 1 to Dec. 31 of 2021 and 2022.

Basis for audit opinions

The accountant carries out audit work according to the rules of accountant's audit certificate of financial statements and auditing standards. The accountant's responsibilities under the standards will be further explained in the responsibility section when the accountant audits the Consolidated Financial Report. In accordance with the code of professional ethics for accountants, the personnels of the accounting firm who are subject to the code of independence have maintained their independence from Niko Semiconductor Group and fulfilled other responsibilities of the code. Based on the accountant's audit results and other accountants' audit reports, the accountant believes that the accountant has obtained sufficient and appropriate audit evidences as basis for audit opinions.

Other matters

The company's Financial Reports adopted with equity method for investment listed into the Consolidated Financial Reports of Niko Semiconductor Group have not been audited by the accountant and they are audited by other accountants. Therefore, among the accountant's opinions on Consolidated Financial Reports, the amount listed in the company's Financial

Reports adopted equity method for investment are based on the audit reports of other accountants. The aforementioned investment by equity method listed on Dec. 31, 2021 and Dec. 31, 2022 are occupied 2% and 4% of total assets and the share of affiliated enterprise's profit and loss by equity method listed from Jan. 1 to Dec. 31 of 2021 and 2022 are occupied 2% and 0% of net profit before tax.

The Niko Semiconductor Co., Ltd. has prepared individual Financial Reports of 2021 and 2022 and the accountant has respectively issued unqualified opinion adding other matters and unqualified opinion audit report for reference.

Key audit matters

Key audit matters refer to the most important matters to the audit of Consolidated Financial Reports of Niko Semiconductor Group in 2022 according to the professional judgment of the accountant. The matters have been response in the process of auditing the overall Consolidated Financial Reports and forming audit opinions. The accountant does not separately express opinions on the matters. The key audit matters which shall be shown on the audit report according to the accountant's judgment are as follows:

Inventory evaluation

Please see details about the accounting policies related to inventory in Consolidated Financial Reports annotation 4(8); please see details about uncertainty of the estimate of inventory evaluation in Consolidated Financial Reports annotation 5; please see details about inventory and related loss in Consolidated Financial Reports annotation 6(4).

Instructions on the key audit matters:

Inventory is measured by the lower of cost and net realizable value. Because technology changes rapidly, update of new products and technology affects market demand. It might generate the risk that inventory cost exceeds its net realizable value. Because the available for sale of inventory will affect its value evaluation and continuous attention is required. Inventory is the important asset item of Consolidated Financial Reports. Therefore, inventory evaluation is one of the important evaluation matters that the accountant audits the Consolidated Financial Reports of Niko Semiconductor Group.

How to response to the matter in audit

The audit works carried out by the accountant include: understand inventory depreciation loss provision policy of Niko Semiconductor Group and check its inventory evaluation has been carried out according to existing accounting policies, including implementation of sampling procedure and check of correctness of inventory ages, analysis on change circumstances of inventory ages in various periods; check of reasonableness of withdrawal of the authority of inventory reserves loss in the past and comparison with the method and hypothesis of current

inventory reserves loss estimated to evaluate whether the estimate method and hypothesis of current inventory reserves loss are fair and appropriate. Check the post-term sales status of inventory to evaluate the reasonableness of estimate of inventory reserves evaluation.

Responsibilities of management layer and governance unit on Consolidated Financial Reports

Responsibility of management layer is to prepare the Consolidated Financial Reports with fair and appropriate expression according to the preparation standards of Financial Reports of securities issuer and internal accounting report standards, international accounting standards, interpretation and interpretation announcement recognized and issued by Financial Supervisory Commission and maintain the necessary internal control related to preparation of Consolidated Financial Reports to ensure that there is no significant misrepresentation caused by fraudulent practices or error in the Consolidated Financial Reports.

When preparing the Consolidated Financial Reports, the responsibility of management layer includes evaluation of sustainable operation ability of Niko Semiconductor Group, disclosure of related matters and continuous operation accounting base, unless management layer intends to liquidate Niko Semiconductor Group or stop business, or there are no other feasible solutions except for liquidation or stoppage of business.

Governance unit (including Audit Committee) of Niko Semiconductor Group bears the responsibility of supervising the process of financial report.

Accountant's responsibility in audit of Consolidated Financial Reports

The purpose of the accountant's audit of Consolidated Financial Reports is to obtain reasonable assurance about whether the Consolidated Financial Reports exists significant misrepresentation caused by fraudulent practices or error and issue audit report. Reasonable assurance is high assurance. The audit work carried out according to auditing standards cannot guarantee to find that Consolidated Financial Reports exist significant misrepresentation. False expression might be caused by fraudulent practices or error. If the individual amount or total number of false expression can reasonably predict the economic decision that will influence the user of Consolidated Financial Reports, then it will be deemed as significance.

When the accountant audits according to auditing standards, the accountant will use professional judgment and keep professional doubt. The accountant also carries out the following works:

1. Recognize and evaluate the significant misrepresentation risk of Consolidated Financial Reports caused by fraudulent practices or error; design and implement the appropriate response to the evaluated risk; obtain sufficient and appropriate audit evidences as basis for audit opinions. Because fraudulent practices might involve in collusion, forge, intentional omission, false statement or exceeding internal control, the risk of significant misrepresentation caused by fraudulent practices is not found is higher than that of error.
2. Obtain necessary understanding on the internal control related to audit to design the appropriate audit procedures under the situation. The purpose is not to express opinions on the effectiveness of internal control of Niko Semiconductor Group.
3. Evaluate the appropriateness of the accounting policies adopted by management layer and the reasonableness of the accounting estimate and related disclosure made by it.
4. According to the obtained audit evidences, make conclusion on the appropriateness of the continuous operation accounting base adopted by the management layer and whether the event or situation which might generate major doubt about the sustainable operation ability of Niko Semiconductor Group exists major uncertainty or not. If the accountant thinks that the event or situation exists major uncertainty, the accountant shall remind the user of Consolidated Financial Reports to pay attention to the relevant disclosure of Consolidated Financial Reports in the audit report or correct audit opinions when the disclosure belongs inappropriateness. The accountant's conclusion is based on the audit evidences obtained as of audit report date. However, the future event or situation might lead to that the Niko Semiconductor Group will not have sustainable operation ability.
5. Evaluate the overall expression, structure and contents of Consolidated Financial Reports (including relevant annotations) and whether the Consolidated Financial Reports fairly and appropriately express relevant trades and events.
6. Obtain sufficient and appropriate audit evidences about the financial information of group's individuals to express opinions on Consolidated Financial Reports. The accountant is responsible for guiding, supervising and implementing the audit case and forming audit opinions of Group.

The matters communicated by the accountant with governance unit include planned audit scope and time and major audit findings (including the internal control significant loss recognized in the process of audit).

The accountant also provides the governance unit with the statement that the personnels of the accounting firm who are subject to the code of independence have abided by the related independence in the code of professional ethics of accountant and communicates with governance unit about all the relations which might be thought to affect the accountant's independence and other matters (including related prevention and protection measures).

The accountant will decide the key audit matters to the audit of Consolidated Financial Reports of Niko Semiconductor Group in 2022 from the matters communicated with governance unit. The accountant will clearly state the matters in the audit report, unless the special matter is forbidden by laws for public disclosure, or under rare situation, the accountant will decide not to communicate the special matter in the audit report, because it can be reasonably expected that the negative impact of this communication will be greater than the public interest.

KPMG Taiwan
Fu, Hong-Wen
Hong, Shi-Gang
March 17, 2023

Notice to Readers

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

Niko Semiconductor Co., Ltd. and Subsidiaries

Consolidated Balance Sheet

Dec. 31 of 2021 and 2022

Unit: NTD thousand

Assets		2022.12.31		2021.12.31		Liabilities and equity		2022.12.31		2021.12.31			
		Amount	%	Amount	%			Amount	%	Amount	%		
Current assets:						Current liabilities:							
1100	Cash and equivalent cash (Note 6(1))	\$	1,201,443	35	1,189,955	38	2120	Financial liabilities measured at fair value	\$	-	-	1,909	-
1110	Financial assets measured at fair value							through profits and losses - Current(Note 6(2))					
	through profits and losses - Current(Note 6(2))		317	-	-	-	2170	Accounts payable		432,458	13	523,377	17
1170	Net accounts receivable(Note 6(3) and (15))		737,473	22	954,195	30	2180	Accounts payable-Related parties (Note 7)		66	-	2,047	-
1180	Accounts receivable – Net amount of						2200	Other payables (Note 7)		229,551	7	202,873	7
	Related parties(Note 6(3) 、(15) and 7)		-	-	30,864	1	2230	Current income tax liabilities		81,668	2	67,425	2
1200	Other receivables(Note 7)		18,186	-	16,295	1	2280	Lease liabilities –current(Note 6(9))		2,321	-	1,498	-
130X	Inventory (Note 6(4))		813,024	24	393,774	13	2300	Other current liabilities(Note 6(15) and 7)		2,776	-	9,081	-
1470	Other current assets(Note 9)		44,063	1	14,108	-		Total current liabilities		748,840	22	808,210	26
	Total current assets		2,814,506	82	2,599,191	83		Non-current liabilities:					
Non-current assets:							2580	Lease liabilities-non-current(Note 6(9))		2,431	-	3,212	-
1550	Investments by equity method(Note 6(5) and 7)		148,647	5	77,898	3	2600	Other non-current liabilities(Note 6(11) and (12))		3,787	-	11,286	-
								Total non-current liabilities		6,218	-	14,498	-
1600	Property, plant and equipment (Note 6(6) and 8)		304,723	9	290,434	9		Total liabilities		755,058	22	822,708	26
1755	Use right assets (Note6(7))		4,664	-	4,710	-		Equity attributable to the owner of the parent company:					
1760	Net Investment property (Note 6(8) and 8)		70,970	2	71,577	2	3110	Capital stock of common stock(Note 6(13))		612,515	18	612,515	20
1840	Deferred income tax assets(Note 6(12))		11,789	-	11,830	-	3200	Capital reserves(Note 6(13))		630,512	18	630,512	20
1900	Other non-current assets(Note 9)		74,689	2	80,635	3	3310	Legal reserves(Note 6(13))		202,903	6	167,537	5
	Total non-current assets		615,482	18	537,084	17	3320	Special reserves(Note 6(13))		3,645	-	3,306	-
							3350	Undistributed earnings (Note 6(13))		1,228,643	36	903,342	29
							3400	Other equity		(3,288)	-	(3,645)	-
								Total equity		2,674,930	78	2,313,567	74
Total assets		\$	3,429,988	100	3,136,275	100	Total liabilities and equity		\$	3,429,988	100	3,136,275	100

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

Niko Semiconductor Co., Ltd. and Subsidiaries

Consolidated Statements of Comprehensive Income

Jan. 1 to Dec. 31 of 2021 and 2022

Unit: NTD thousand

		2022		2021	
		Amount	%	Amount	%
4000	Operating income (Note 6(15) and 7)	\$ 2,613,483	100	2,858,970	100
5000	Operating costs (Note 6(4), (11), (16), 7 and 12)	1,805,394	69	2,013,836	70
	Gross operating profits	808,089	31	845,134	30
	Operating expenses (Note 6(3), (9), (11), (16), 7 and 12):				
6100	Sales promotion expenses	105,879	4	105,343	4
6200	Management expenses	148,343	6	150,365	5
6300	Research and development expenses	179,081	7	140,267	5
6450	Expected credit impairment loss (Reversal benefit)	(320)	-	102	-
	Total operating expenses	432,983	17	396,077	14
	Net operating profits	375,106	14	449,057	16
	Non-operating income and expenditure :				
7010	Other income (Note 6(17) and 7)	6,172	-	6,837	-
7020	Other profit and loss (Note 6(5) and (17))	178,319	7	(14,274)	-
7050	Financial costs (Note 6(9) and (17))	(232)	-	(70)	-
7060	Share of interests of affiliated enterprises recognized by equity method (Note 6(5))	(1,462)	-	6,244	-
	Total non-operating income and expenditure	182,797	7	(1,263)	-
	Net profit before tax	557,903	21	447,794	16
7950	Minus: Income tax expenses (Note 6(12))	124,411	4	93,726	4
	Net profit	433,492	17	354,068	12
8300	Other comprehensive income:				
8310	Items not reclassified to profit and loss				
8311	Remeasurements of defined welfare plans (Note 6(11))	1,270	-	(504)	-
8320	Share of Other comprehensive income of affiliated enterprises recognized by equity method (Note 6(5))	(669)	-	-	-
8349	Income tax related to items not reclassified (Note 6(12))	(254)	-	101	-
	Total Items not reclassified to profit and loss	347	-	(403)	-
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	1,282	-	(423)	-
8399	Income tax related to items that may be reclassified (Note 6(12))	(256)	-	84	-
	Total items that may be reclassified to profit and loss in subsequent periods	1,026	-	(339)	-
8300	Other comprehensive income	1,373	-	(742)	-
	Total comprehensive income	\$ 434,865	17	353,326	12
	Earnings per share (NTD) (Note 6(14))				
	Basic earnings per share (NTD)	\$ 7.08		5.78	
	Diluted earnings per share (NTD)	\$ 6.85		5.67	

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

Niko Semiconductor Co., Ltd. and Subsidiaries

Consolidated Statement of Changes in Equity

Jan. 1 to Dec. 31 of 2021 and 2022

Unit: NTD thousand

	Equity attributable to owners of parent company							
	Capital stock of common stock	Capital reserves	Retained Earnings			Items of Other Equity		Total Equity
			Legal reserves	Special reserves	Undistributed 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	
Balance on Jan. 1, 2021	\$ 612,515	630,512	149,013	3,594	629,165	(3,306)	-	2,021,493
Net profit	-	-	-	-	354,068	-	-	354,068
Other comprehensive income	-	-	-	-	(403)	(339)	-	(742)
Total comprehensive income	-	-	-	-	353,665	(339)	-	353,326
Appropriation and distribution of earnings:								
Withdrawn legal reserves	-	-	18,524	-	(18,524)	-	-	-
Reverse special reserves	-	-	-	(288)	288	-	-	-
Cash dividend of common stock	-	-	-	-	(61,252)	-	-	(61,252)
Balance on Dec. 31, 2021	612,515	630,512	167,537	3,306	903,342	(3,645)	-	2,313,567
Net profit	-	-	-	-	433,492	-	-	433,492
Other comprehensive income	-	-	-	-	1,016	1,026	(669)	1,373
Total comprehensive income	-	-	-	-	434,508	1,026	(669)	434,865
Appropriation and distribution of earnings:								
Withdrawn legal reserves	-	-	35,366	-	(35,366)	-	-	-
Withdrawn special reserves	-	-	-	339	(339)	-	-	-
Cash dividend of common stock	-	-	-	-	(73,502)	-	-	(73,502)
Balance on Dec. 31, 2022	<u>\$ 612,515</u>	<u>630,512</u>	<u>202,903</u>	<u>3,645</u>	<u>1,228,643</u>	<u>(2,619)</u>	<u>(669)</u>	<u>2,674,930</u>

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

Niko Semiconductor Co., Ltd. and Subsidiaries
Consolidated Cash Flows Statement
Jan. 1 to Dec. 31 of 2021 and 2022

Unit: NTD thousand

	2022	2021
Cash flows of operating activities:		
Current net profit before tax	\$ 557,903	447,794
Items of adjustment:		
Income expense loss item		
Depreciation expenses	22,755	21,433
Amortization expenses	328	201
Expected credit impairment loss (reversal benefit)	(320)	102
Net loss (profit) of financial assets and liabilities by fair value through profit and loss	(2,226)	5,723
Interest expenses	232	70
Interest income	(2,605)	(258)
Share of profit or loss of affiliated enterprises recognized by equity method	1,462	(6,244)
Loss of disposal and scrap of property, plant and equipment	14	91
Other	20,198	(6,586)
Total income expense loss item	39,838	14,532
Changes in assets and liabilities related to operating activities:		
Accounts receivable (including related parties)	247,906	(86,275)
Other receivables	(1,891)	(5,523)
Inventory	(468,945)	34,821
Other current assets	(18,906)	(641)
Long-term prepayment	(6,357)	(82,066)
Total net changes in assets related to operating activities	(248,193)	(139,684)
Accounts payable (including related parties)	(92,900)	250,906
Other payables	26,568	68,290
Other current liabilities	(6,305)	5,010
Net defined benefit liabilities	(2,231)	(2,223)
Total net changes in liabilities related to operating activities	(74,868)	321,983
Total net changes in assets and liabilities related to operating activities	(323,061)	182,299
Total items of adjustment	(283,223)	196,831
Cash inflow from operations	274,680	644,625
Collected interest	2,605	258
Collected dividend	2,932	-
Paid interest	(232)	(70)
Paid income tax	(108,943)	(45,187)
Net cash inflow from operating activities	171,042	599,626
Cash flows of investment activities:		
Obtain investments accounted for using equity method	(45,000)	-
Property, plant and equipment	(34,433)	(15,199)
Disposal of Property, plant and equipment	5	19
Decrease in refundable deposits	2,515	4,994
Obtain intangible assets	(1,588)	-
Decrease in other current assets	-	3,744
Net cash outflow from investment activities	(78,501)	(6,442)
Cash flows from financing activities:		
Increase (decrease) in deposits received	(5,706)	5,699
Repayment of lease principal	(1,892)	(2,241)
Distribution of cash dividends	(73,502)	(61,252)
Net cash outflow from financing activities	(81,100)	(57,794)
Impact of exchange rate changes on cash and equivalent cash	47	(138)
Current increase of cash and equivalent cash	11,488	535,252
Balance of cash and equivalent cash at the beginning of the period	1,189,955	654,703
Balance of cash and equivalent cash at the ending of the period	<u>\$ 1,201,443</u>	<u>1,189,955</u>

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

Niko Semiconductor Co., Ltd.
Comparison Table of Provisions of “Rules of Procedure for Shareholders’ Meetings” before and after Amendment

Amended provision	Original provision	Instructions
<p>Article 3</p> <p>Unless otherwise regulated by laws and regulations, the company’s Board of Shareholders shall be convened by Board of Directors.</p> <p><u>Changes in the method of holding the shareholders' meeting of the company shall be resolved by the board of directors, and no later than before the notice of the shareholders' meeting is dispatched.</u></p>	<p>Article 3</p> <p>Unless otherwise regulated by laws and regulations, the company’s Board of Shareholders shall be convened by Board of Directors.</p>	<p>Cooperate with the company law to open public offering companies to hold shareholders' meetings via video conferencing and the amendments to the "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings", added the second item.</p>
<p>Article 4</p> <p>The Company shall prepare electronic versions of the shareholders’ meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders’ meeting or before 15 days before the date of a special shareholders’ meeting. The Company shall prepare electronic versions of the shareholders’ meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders’ meeting or before 15 days before the date of the special shareholders’ meeting. In addition, before 15 days before the date of the shareholders’ meeting, the Company shall also have prepared the shareholders’ meeting agenda and</p>	<p>Article 4</p> <p>The Company shall prepare electronic versions of the shareholders’ meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders’ meeting or before 15 days before the date of a special shareholders’ meeting. The Company shall prepare electronic versions of the shareholders’ meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders’ meeting or before 15 days before the date of the special shareholders’ meeting. In addition, before 15 days before the date of the shareholders’ meeting, the Company shall also have prepared the shareholders’ meeting agenda and</p>	<p>Cooperate with the company law to open public offering companies to hold shareholders' meetings via video conferencing and the amendments to the "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings", text amendments and added the second item.</p>

Amended provision	Original provision	Instructions
<p>supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby.</p> <p><u>On the day of the shareholders' meeting, the company shall provide shareholders with handbook and meeting supplementary materials in the preceding paragraph mentioned in the following manner:</u></p> <p><u>1. When the physical shareholder meeting is held, it shall be distributed at the site of the shareholders' meeting.</u></p> <p><u>2. When convening a video-assisted shareholders' meeting, it shall be distributed at the site of the shareholders' meeting and the electronic file shall be sent to the video conference platform</u></p> <p><u>3. When convening a video conference, the electronic file shall be sent to the video conference platform.</u></p> <p>Cause of convene shall be indicated on the notice and announcement; if the notice is agreed by the relative party, it shall be made in electronic method.</p>	<p>supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby, <u>and shall be issued on the site of the shareholders' meeting.</u></p> <p>Cause of convene shall be indicated on the notice and announcement; if the notice is agreed by the relative party, it shall be made in electronic method.</p>	
<p>Article 10</p> <p>A shareholder can issue a letter of entrustment and entrust a person. Letter of entrustment shall be sent to the company five days before the shareholder's meeting. When the letter of entrustment is repeated, the one sent firstly shall prevail. Statement on cancellation of prior entrustment is not limited by this. After the letter of entrustment is delivered to the company, if the shareholder wants to perform voting power by attending shareholders' meeting in person, <u>via video conference</u>, or in written or electronic method, the shareholder shall send the</p>	<p>Article 10</p> <p>A shareholder can issue a letter of entrustment and entrust a person. Letter of entrustment shall be sent to the company five days before the shareholder's meeting. When the letter of entrustment is repeated, the one sent firstly shall prevail. Statement on cancellation of prior entrustment is not limited by this. After the letter of entrustment is delivered to the company, if the shareholder wants to perform voting power by attending shareholders' meeting in person or in written or electronic method, the shareholder shall send the notice of cancellation</p>	<p>Cooperate with the company law to open public offering companies to hold shareholders' meetings via video conferencing and the amendments to the "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings", text amendments are made as</p>

Amended provision	Original provision	Instructions
notice of cancellation of entrustment to the company in written form before two days of shareholders' meeting; if entrustment is cancelled exceeding time limit, the voting power performed by the entrusted agent shall prevail.	of entrustment to the company in written form before two days of shareholders' meeting; if entrustment is cancelled exceeding time limit, the voting power performed by the entrusted agent shall prevail.	appropriate.
<p>Article 11</p> <p>The place of shareholders' meeting shall be the place where the company is located or facilitates the shareholders to attend and is suitable for holding shareholders' meeting. Meeting's starting time cannot be earlier than 9:00am or later than 15:00pm. The Independent Director's opinions on place and time of convene shall be fully considered.</p> <p><u>When the company holds a shareholders' meeting via video conference, it is not subject to the restriction on place in the preceding paragraph.</u></p>	<p>Article 11</p> <p>The place of shareholders' meeting shall be the place where the company is located or facilitates the shareholders to attend and is suitable for holding shareholders' meeting. Meeting's starting time cannot be earlier than 9:00am or later than 15:00pm. The Independent Director's opinions on place and time of convene shall be fully considered.</p>	Cooperate with the company law to open public offering companies to hold shareholders' meetings via video conferencing and the amendments to the "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings", added the second item.
<p>Article 12</p> <p>The report time, report place and other matters needing attention of shareholders, <u>solicitors, and authorized agents (hereinafter referred to as shareholders)</u> to be accepted shall be clearly indicated on the meeting notice by the company. The report time of shareholders to be accepted in preceding paragraph shall be handled 30 minutes before the meeting at least; there shall be clear mark in report place and it shall be handled by adequate and competent personnel. <u>The video conference of the shareholders' meeting shall be registered on the video conference platform of the shareholders' meeting 30 minutes before the start of the meeting. Shareholders who have completed the registration are deemed to have attended the shareholders' meeting in person.</u></p>	<p>Article 12</p> <p>The report time, report place and other matters needing attention of shareholders to be accepted shall be clearly indicated on the meeting notice by the company. The report time of shareholders to be accepted in preceding paragraph shall be handled thirty minutes before the meeting at least; there shall be clear mark in report place and it shall be handled by adequate and competent personnel.</p>	Cooperate with the company law to open public offering companies to hold shareholders' meetings via video conferencing and the amendments to the "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings", text amendments are made as appropriate.
<p>Article 12-1</p> <p><u>When the company holds a shareholders' meeting via video</u></p>		Cooperate with the company law to open public

Amended provision	Original provision	Instructions
<p>conference, the following items shall be specified in the shareholders meeting convening notice:</p> <p><u>1. Shareholders' participation in video conferences and methods for exercising their rights.</u></p> <p><u>2. The methods of dealing with obstacles caused by natural disasters, accidents, or other force majeure events to the video conferencing platform or to participate in video conferences, including at least the following items:</u></p> <p><u>(1) The time at which the meeting must be postponed or continued due to the occurrence of previous obstacles that cannot be eliminated, and the date when the meeting must be postponed or continued.</u></p> <p><u>(2) Shareholders who have not registered to participate in the original shareholders' meeting via video conference shall not participate in the postponed or continued meeting.</u></p> <p><u>(3) To convene a video-assisted shareholders' meeting, if the video conference cannot be continued, after deducting the number of shares attending the shareholders' meeting via video conference, the total number of shares attended reaches the statutory quota for the shareholders' meeting, the shareholders' meeting should continue and participate in the video conference Shareholders, whose number of shares attended shall be included in the total number of shareholders' shares present, shall be deemed to have abstained from voting on all proposals at the shareholders' meeting.</u></p> <p><u>(4) The methods of dealing with the situation where all the motions have been announced and no provisional motions have been made.</u></p> <p><u>3. To convene a video-conference shareholders' meeting, this shall specify appropriate alternative measures for shareholders who have</u></p>		<p>offering companies to hold shareholders' meetings via video conferencing and the amendments to the "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings", added this item.</p>

Amended provision	Original provision	Instructions
<u>difficulty participating in video-conferencing.</u>		
<p>Article 14</p> <p>The shareholder shall attend shareholders' meeting with attendance certificate, attendance card or other attendance certificates. The company cannot randomly increase requirements about the evidentiary document of shareholder's attendance to provide other evidentiary documents; the person who is asked for letter of entrustment shall carry ID certificate for verification.</p>	<p>Article 14</p> <p><u>The shareholder or agent (hereinafter referred to as shareholder) entrusted by shareholder</u> shall attend shareholders' meeting with attendance certificate, attendance card or other attendance certificates. The company cannot randomly increase requirements about the evidentiary document of shareholder's attendance to provide other evidentiary documents; the person who is asked for letter of entrustment shall carry ID certificate for verification.</p>	<p>Cooperate with the company's practical operation, and text amendments are made as appropriate.</p>
<p>Article 15-1</p> <p><u>If the shareholders meeting is convened by video conference, shareholders who wish to attend by video conference shall register with the company two days before the shareholders' meeting.</u></p> <p><u>If the shareholders' meeting is held by video conference, the company shall upload the handbook, annual report and other relevant materials to the shareholders' meeting video conference platform at least 30 minutes before the start of the meeting, and continue to disclose them until the end of the meeting.</u></p>		<p>Cooperate with the company law to open public offering companies to hold shareholders' meetings via video conferencing and the amendments to the "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings", added this item.</p>
<p>Article 20</p> <p>The company shall continuously make audio and video recording about the acceptance shareholders' report process, meeting process and whole process of accounting votes and keep the audio and video for a year at least. If shareholder files a lawsuit according to Article CLXXXIX of company law, the audio and video shall be kept to the end of litigation.</p> <p><u>If the shareholders' meeting is held by video conference, the company shall keep records of shareholders' registration, check-in, questioning.</u></p>	<p>Article 20</p> <p>The company shall continuously make audio and video recording about the acceptance shareholders' report process, meeting process and whole process of accounting votes and keep the audio and video for a year at least. If shareholder files a lawsuit according to Article CLXXXIX of company law, the audio and video shall be kept to the end of litigation.</p>	<p>Cooperate with the company law to open public offering companies to hold shareholders' meetings via video conferencing and the amendments to the "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings", added the second item</p>

Amended provision	Original provision	Instructions
<p><u>voting, and company vote counting results, etc., and record and video the entire process of the video conference continuously. The company shall properly keep the above-mentioned materials and audio and video recordings during the duration of existence, and provide the audio and video recordings to the person entrusted to handle the video conferencing affairs for storage.</u></p> <p><u>If the shareholders' meeting is held by video conference, the company should make audio and video recordings of the background operation interface of the video conference platform.</u></p>		<p>and the third item.</p>
<p>Article 21</p> <p>Shares shall be calculation basis for attendance of shareholders' meeting. Number of attending shares shall be calculated according to handed card of signing <u>and number of shares registered on the video conferencing platform</u> in adding the number of shares performing voting power through written or electronic method.</p>	<p>Article 21</p> <p>Shares shall be calculation basis for attendance of shareholders' meeting. Number of attending shares shall be calculated according to handed card of signing in adding the number of shares performing voting power through written or electronic method.</p>	<p>Cooperate with the company law to open public offering companies to hold shareholders' meetings via video conferencing and the amendments to the "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings", text amendments are made as appropriate.</p>
<p>Article 22</p> <p>When it is time for meeting, chairman shall declare to have the meeting immediately, and at the same time announce the number of non-voting rights and the number of shares present, etc. Unless the shareholders who attend the meeting and represent the issued shares less than a half of total number of issued shares, chairman can declare delay of meeting. Number of delay is limited to two. Total delay time cannot exceed one hour totally. When the</p>	<p>Article 22</p> <p>When it is time for meeting, chairman shall declare to have the meeting immediately, and at the same time announce the number of non-voting rights and the number of shares present, etc. Unless the shareholders who attend the meeting and represent the issued shares less than a half of total number of issued shares, chairman can declare delay of meeting. Number of delay is limited to two. Total delay time cannot exceed one hour totally. When the</p>	<p>Cooperate with the company law to open public offering companies to hold shareholders' meetings via video conferencing and the amendments to the "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders</p>

Amended provision	Original provision	Instructions
<p>shareholders who represent less than one third of total number of issued shares attend the meeting after delay for two times, chairman shall declare to cancel the meeting. <u>If the shareholders' meeting is convened by video conference, the company shall also announce to cancel the meeting on the video conference platform of the shareholders meeting.</u></p> <p>When the quorum is not met all the same after delay for two times and shareholders who represent more than one third of total number of issued shares attend the meeting, it shall be deemed as false resolution according to the regulations of Item I of CLXXV of company law and false resolution shall be notified to various shareholders and shareholders' meeting shall be convened again within one month.</p> <p><u>If the shareholders' meeting is convened by video conference, shareholders who wish to attend via video conference shall re-register with the company in accordance with regulations.</u></p>	<p>shareholders who represent less than one third of total number of issued shares attend the meeting after delay for two times, chairman shall declare to cancel the meeting.</p> <p>When the quorum is not met all the same after delay for two times and shareholders who represent more than one third of total number of issued shares attend the meeting, it shall be deemed as false resolution according to the regulations of Item I of CLXXV of company law and false resolution shall be notified to various shareholders and shareholders' meeting shall be convened again within one month.</p>	<p>Meetings", text amendments are made as appropriate.</p>
<p><u>Article 33-1</u></p> <p><u>If the shareholders' meeting is convened by video conference, shareholders who participate in the video conference may ask questions in text on the shareholders meeting video conference platform after the chairman announces the meeting and before the meeting is end. The number of questions for each proposal shall not exceed two times. Limit to 200 characters.</u></p> <p><u>If the question in the preceding paragraph does not violate the regulations or exceed the scope of the proposal, it is advisable to disclose the question on the video conferencing platform of the shareholders meeting for public awareness.</u></p>		<p>Cooperate with the company law to open public offering companies to hold shareholders' meetings via video conferencing and the amendments to the "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings", added this item.</p>

Amended provision	Original provision	Instructions
<p>Article 39</p> <p>If the shareholder wants to attend shareholders' meeting in person <u>or via video conference</u> after performing voting power in written or electronic method, the shareholder shall cancel the meaning expression for performing voting power in preceding paragraph in the same method of performing voting power two days before shareholders' meeting; if the meaning expression is cancelled exceeding time limit, the voting power performed in written or electronic method shall prevail. If voting power is performed in written or electronic method and agent is entrusted by letter of entrustment to attend shareholders' meeting, the voting power performed by entrusted agent shall prevail.</p>	<p>Article 39</p> <p>If the shareholder wants to attend shareholders' meeting in person after performing voting power in written or electronic method, the shareholder shall cancel the meaning expression for performing voting power in preceding paragraph in the same method of performing voting power two days before shareholders' meeting; if the meaning expression is cancelled exceeding time limit, the voting power performed in written or electronic method shall prevail. If voting power is performed in written or electronic method and agent is entrusted by letter of entrustment to attend shareholders' meeting, the voting power performed by entrusted agent shall prevail.</p>	<p>Cooperate with the company law to open public offering companies to hold shareholders' meetings via video conferencing and the amendments to the "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings", text amendments are made as appropriate.</p>
<p><u>Article 42</u></p> <p>The supervision and accounting personnel of voting of proposals shall be designated by chairman, but the supervision personnel shall have shareholder's qualification. The operation of counting votes of voting or election proposals of shareholders' meeting shall be made in the open place of shareholders' meeting. Voting results shall be declared on spot after counting votes is completed, including number of voting, and made into record.</p> <p><u>The shareholders' meeting is hold by video conference, Shareholders who participate in the video conference shall vote on various proposals and election proposals through the video conference platform after the chairman announces the opening of the meeting. And should be completed before the chairman announces the end of voting, those who are overdue dedeed as a waiver. If the shareholders' meeting is convened by video conference, after the chairman announces that the</u></p>	<p>Article 42</p> <p>The supervision and accounting personnel of voting of proposals shall be designated by chairman, but the supervision personnel shall have shareholder's qualification. The operation of counting votes of voting or election proposals of shareholders' meeting shall be made in the open place of shareholders' meeting. Voting results shall be declared on spot after counting votes is completed, including number of voting, and made into record.</p>	<p>Cooperate with the company law to open public offering companies to hold shareholders' meetings via video conferencing and the amendments to the "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings", added the third to fifth items.</p>

Amended provision	Original provision	Instructions
<p><u>voting is over, the votes shall be counted at one time, and the voting and election results shall be announced.</u></p> <p><u>When the company convenes a video-assisted shareholders' meeting, shareholders who have registered to attend the shareholders' meeting via video conference in accordance with the regulations, and who want to attend the physical shareholders' meeting in person, should cancel the registration in the same way as the registration two days before the shareholders' meeting, to attend the general meeting of shareholders only by video conference.</u></p> <p><u>Those who exercise voting rights in writing or electronically without revoking their declaration of intention and participate in the shareholders' meeting by video conference shall not exercise voting rights on the original proposals, propose amendments to the original proposals, or exercise voting rights on amendments to the original proposals, except for ad hoc motions.</u></p>		
<p>Article 45</p> <p>Meeting minutes shall be recorded according to the real meeting's year, month, day, place, chairman's name, resolution method, main points of discussion process and voting result (including number of voting of statistics). When director is elected, the number of votes of each candidate shall be disclosed. During the existence period of the company, the records shall be preserved permanently.</p> <p><u>If the shareholders' meeting is convened by video conference, in addition to the matters that shall be recorded in accordance with the provisions of the preceding paragraph, the start and end time of the shareholders meeting, the method of convening the meeting, the name of the chairman and recorder, and the</u></p>	<p>Article 45</p> <p>Meeting minutes shall be recorded according to the real meeting's year, month, day, place, chairman's name, resolution method, main points of discussion process and voting result (including number of voting of statistics). When director is elected, the number of votes of each candidate shall be disclosed. During the existence period of the company, the records shall be preserved permanently.</p>	<p>Cooperate with the company law to open public offering companies to hold shareholders' meetings via video conferencing and the amendments to the "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings", added the second and the third items.</p>

Amended provision	Original provision	Instructions
<p><u>method and situation of the video conferencing platform or participation in the video conference due to natural disasters, accidents or other force majeure shall also record.</u></p> <p><u>The Company shall hold a video conference shareholders' meeting, in addition to following the provisions of the preceding paragraph, and shall record that there are alternative measures provided by shareholders who have difficulties participating in video conference.</u></p>		
<p>Article 46</p> <p>The company shall make clear disclosure about the number of shares asked by the person who asks for shares, the number of shares of entrusted agent <u>and number of shares attended by shareholders in writing or electronically</u> according to the statistical table compiled according to regulated format in the shareholder's meeting place on the date when shareholders' meeting is held. <u>If the shareholders' meeting is held by video conference, the company shall upload the above-mentioned information to the shareholders' meeting video conference platform at least 30 minutes before the meeting starts, and continue to disclose it until the end of the meeting.</u></p> <p><u>When the company holds a video conference of the shareholders' meeting and declares the meeting open, the total number of shareholders' shares present shall be disclosed on the video conference platform. The same shall apply if the total number of shares and voting rights of shareholders present are counted separately during the meeting.</u></p> <p>If the matter of resolution on shareholders' meeting belongs to the significant information regulated by laws and regulations, consortium legal person or Securities Counter</p>	<p>Article 46</p> <p>The company shall make clear disclosure about the number of shares asked by the person who asks for shares <u>and</u> the number of shares of entrusted agent according to the statistical table compiled according to regulated format in the shareholder's meeting place on the date when shareholders' meeting is held.</p> <p>If the matter of resolution on shareholders' meeting belongs to the significant information regulated by laws and regulations, consortium legal person or Securities Counter Trade Center of Republic of China, the company shall transmit the contents to open information observatory within regulated time.</p>	<p>Cooperate with the company law to open public offering companies to hold shareholders' meetings via video conferencing and the amendments to the "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings", text amendments are made as appropriate.</p>

Amended provision	Original provision	Instructions
Trade Center of Republic of China, the company shall transmit the contents to open information observatory within regulated time.		
<u>Article 51</u> <u>If the shareholders' meeting is held by video conference, the company shall immediately disclose the voting results of various proposals and election results on the shareholders' meeting video conference platform in accordance with regulations after the voting ends, and shall continue to disclose at least 15 minutes after the chairman announces the adjournment of the meeting.</u>		Cooperate with the company law to open public offering companies to hold shareholders' meetings via video conferencing and the amendments to the "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings", added this item.
<u>Article 52</u> <u>When the company holds a video conference shareholders meeting, the chairman and recorder shall be at the same place in Taiwan, and the chairman shall announce the address of the place where the meeting is held.</u>		Cooperate with the company law to open public offering companies to hold shareholders' meetings via video conferencing and the amendments to the "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings", added this item.
<u>Article 53</u> <u>If the shareholders' meeting is held by video conference, the company may provide shareholders with a simple connection test before the meeting, and provide relevant services immediately before the meeting and during the meeting to assist in dealing with technical problems in communication.</u>		Cooperate with the company law to open public offering companies to hold shareholders' meetings via video conferencing and the amendments to the "Sample Template for XXX Co., Ltd. Rules of Procedure for

Amended provision	Original provision	Instructions
		Shareholders Meetings", added this item.
<p><u>Article 54</u> <u>If the shareholders' meeting is convened by video conference, the chairman shall separately announce that there is no need to postpone or continue the meeting, except for the circumstances stipulated in Item 4 of Article 44-2 of the Standards for the Handling of Stock Affairs of Public Offering Companies when announcing the opening of the meeting. Before the chairman announces the end of the meeting, due to natural disasters, accidents or other force majeure, if there is an obstacle to the video conferencing platform or participation in the form of video, which lasts for more than 30 minutes, the date of the meeting shall be postponed or continued within 5 days, not applicable to the Article CLXXXII of the Company Law.</u></p>		Cooperate with the company law to open public offering companies to hold shareholders' meetings via video conferencing and the amendments to the "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings", added this item.
<p><u>Article 55</u> <u>In the event of the occurrence of the preceding article, the meeting should be postponed or continued, and shareholders who have not registered to participate in the original shareholders' meeting through video conference shall not participate in the postponed or continued meeting. Shareholders who have registered to participate in the original shareholders' meeting and completed the report-in process in accordance with the provisions of the preceding article, and who have not participated in the postponed or continued meeting, the number of shares attended, voting rights and voting rights exercised, shall be included in the total number of shares, voting rights and voting rights of shareholders attending the postponed or continued meeting.</u> <u>When postponed or continued a</u></p>		Cooperate with the company law to open public offering companies to hold shareholders' meetings via video conferencing and the amendments to the "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings", added this item.

Amended provision	Original provision	Instructions
<u>general meeting of shareholders in accordance with the provisions of the preceding article, no re-discussion and resolution is required for proposals that have completed voting and counting, and announced the voting results or the list of directors elected.</u>		
<u>Article 56</u> <u>When the company convenes a video-assisted shareholders' meeting, and occurred the Article 54 cannot continue the video conference, if the total number of shares present at the shareholders' meeting after deducting the number of shares present at the shareholders' meeting via video conference still reaches the statutory quota for the shareholders' meeting, the shareholders' meeting shall continue and there is no need to postpone or continue the meeting in accordance with regulations.</u> <u>In the event that the meeting should continue as mentioned in the preceding paragraph, the shareholders who participate in the shareholders meeting via video conference shall count the number of shares present in the total number of shares of the shareholders present, but shall be deemed as abstaining from voting on all the resolutions of the shareholders meeting.</u>		Cooperate with the company law to open public offering companies to hold shareholders' meetings via video conferencing and the amendments to the "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings", added this item.
<u>Article 57</u> <u>When the company postpones or continues the meeting in accordance with Article 54, it shall comply with the provisions listed in Item 7 of Article 44-2 of the Standards for the Handling of Share Affairs of Public Offering Companies, and in accordance with the date of the original shareholders' meeting and the provisions of each Article, the relevant pre-operations will be handled.</u> <u>The second paragraph of Article 12 and Item 3 of Article 13 of the Rules</u>		Cooperate with the company law to open public offering companies to hold shareholders' meetings via video conferencing and the amendments to the "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings", added

Amended provision	Original provision	Instructions
<u>for the Use of Power of Attorneys for Attending Shareholders' Meetings by Public Offering Companies, the Item 2 of Article 44-5, Article 44-15, Item 1 of Article 44-17 of the Guidelines for the Handling of Stock Affairs of Public Offering, the company shall postpone or continue the date of the shareholders' meeting in accordance with the provisions of Article 54.</u>		this item.
<u>Article 58</u> <u>When the company holds a video conference shareholders' meeting, it shall provide appropriate alternative measures for shareholders who have difficulties in attending via video-conferencing.</u>		Cooperate with the company law to open public offering companies to hold shareholders' meetings via video conferencing and the amendments to the "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings", added this item.
<u>Article 59</u> The matters not regulated in the rules shall be handled according to the regulations of company law and other relevant laws.	<u>Article 51</u> The matters not regulated in the rules shall be handled according to the regulations of company law and other relevant laws.	Terms and Conditions Change.
<u>Article 60</u> The rules are put forward by Board of Directors and submitted to Board of Shareholders to pass and implement. Amendment shall be made in the same manner. The first amendment of the rules was on May 26, 2006. ...(omitted)... The sixth amendment was on Jun 8, 2022. <u>The seventh amendment was on Jun 7, 2023.</u>	<u>Article 52</u> The rules are put forward by Board of Directors and submitted to Board of Shareholders to pass and implement. Amendment shall be made in the same manner. The first amendment of the rules was on May 26, 2006. ...(omitted)... The sixth amendment was on Jun 8, 2022.	Terms and Conditions Change. Add amendment date and frequency.

[Appendix I]

Niko Semiconductor Co., Ltd.

Articles of Association

Chapter I General Provisions

Article 1: The company was organized according to the regulations of company law. The company was named as Niko Semiconductor Co., Ltd.

Article 2: The company's businesses are as follows:

- I. CC01080 Electronic component manufacturing
- II. CD01030 Automobile and parts manufacturing
- III. F114030 Wholesale of auto and locomotive parts
- IV. F118010 Information software wholesale
- V. F119010 Wholesale of electronic materials
- VI. F401010 International trade
- VII. I501010 Product design
- VIII. CC01110 Computer and peripheral equipment manufacturing
- IX. CC01120 Data storage media manufacturing and reproduction industry
- X. CD01050 Bicycles and their parts manufacturing
- XI. F114020 Locomotive wholesale
- XII. F114040 Wholesale of bicycles and their parts
- XIII. F114050 Tyre wholesale
- XIV. F214020 Locomotive retailing
- XV. F214040 Retail of bicycles and their parts
- XVI. F214050 Tyre retailing
- XVII. JA02030 Bicycle repair industry
- XVIII. ZZ99999 Business not prohibited or restricted by laws and regulations except permitted business

Article 3: The company's head office is set in New Taipei City. When necessary, branches can be set at domestic and abroad according to the resolution of Board of Directors.

Article 4: The company guarantees to the outside world, for the needs of business, it can reinvest other business, and it will not be restricted by Article XIII of company law: total investment cannot exceed forty percent of paid-up capital stock of

the company.

Article 4-1: If the company has the plan of cancellation of public issue, it shall be submitted to Board of Shareholders for resolution.

Chapter II Shares

Article 5: The company's total capital is set as NTD one billion, which is divided into 100 million shares. The amount per share is NTD ten. Board of Directors is authorized to issue shares in several times.

15% of the total capital as mentioned in the preceding paragraph shall be reserved. Namely NTD 150 million is used to issue employees' subscription right certificate. There are 15 million shares in total. The amount per share is NTD ten. Shares shall be issued in several times according to the resolution of Board of Directors.

Article 6: Shares issued by the company are non-printing stocks and shall be logged through centralized securities depository institution. Relevant regulations shall be handled according to relevant regulations of company law and securities authority.

Article 6-1: The company prepares shareholders' register to record regulated matters according to law. Treatment of relevant service matters shall be handled according to the regulations of [Standards for Handling Stock Affairs of Companies Offering Shares to the Public] issued by securities authority. Change of shareholders' register shall be made in the same manner.

Article 6-2: If the company proposes to transfer the shares repurchased from the company to employee in the price that is lower than the average price to repurchase the shares, transfer can be handled according to relevant regulations and the resolution of the latest shareholders' meeting.

Article 6-3: If the company proposes to issue employee's subscription right certificate in the subscription price that is lower than the market value (net value per share), issue can be handled according to relevant regulations and resolution of Board of Shareholders.

Article 7: Registration of share transfer shall be stopped within sixty days before the shareholders' regular meeting, within thirty days before shareholders'

temporary meeting or within five days before the base day when the company decides to distribute dividends and bonuses or other interests.

Chapter III Board of Shareholders

Article 8: Shareholder's meeting is divided into regular meeting and temporary meeting. Regular meeting is held for one time every year and is held within six months after the end of accounting year of each year. Temporary meeting shall be convened according to law when necessary.

Article 8-1: A shareholders' meeting of the Company may be convened via video conferencing or other way announced by the Ministry of Economic Affairs.

Article 9: When shareholder cannot attend the shareholders' meeting for any reason, the shareholder shall issue letter of entrustment according to the regulations of Article CLXXVII of company law to entrust agent to attend the meeting and handle it according to the regulations of [Regulations on Letter of Entrustment Used when Attending the Shareholders' Meeting of Company of Public Issue].

Article 9-1: If Shareholders' Meeting is convened by the Board of Directors, the Board Chairman shall be chairman. When Board Chairman asks for leave or cannot execute function and power for any reason, chairman's agent shall handle it according to the regulations of CCVIII of company law. If the meeting is convened by other person who has right to convene out of Board of Directors, the person who has right to convene shall act as the chairman. When there are more than two persons who have right to convene, chairman shall be acted by the person recommended by the persons who have right to convene.

Article 10: For various shareholders of the company, except for the shares regulated by Article CLVVIX of company law have no voting power, each share has one voting power.

Article 10-1: When the company holds shareholders' meeting, voting power can be performed in written or electronic method. The shareholder who performs voting power in written or electronic method will be deemed that the shareholder attends the shareholder's meeting in person. However, the extempore motion or amendment to original proposal of this shareholders' meeting will be deemed as waiver. Its meaning expression shall be handled according to the regulations of CLXXVII of company law.

Article 11: Unless otherwise regulated by company law and relevant laws, resolution of Board of Shareholders shall be agreed by more than a half of the voting power of shareholders who represent more than a half of the issued shares and attend the shareholders' meeting.

Article 11-1: The matters of resolution of shareholders' meeting shall be made into meeting minutes, which shall be signed or sealed by chairman. Meeting minutes shall be issued to various shareholders within twenty days after the meeting and shareholders shall keep it permanently.

Production and issuance of above meeting minutes shall be made in electronic method.

Issuance of meeting minutes in Item I shall be made in announcement method in the stage of company's public issue of stocks.

Chapter IV Directors and Audit Committee

Article 12: The company sets five to nine Directors. Their tenure is three years. They shall be elected by Board of Shareholders from the people who have the ability to act as Directors. Directors can be reelected. The liability insurance shall be purchased for the company's Directors according to the resolution of Board of Directors. Candidate nomination system is adopted for election of the company's Directors. Shareholders shall elect and appoint the company's Directors from the candidates' name list. Operation related to nomination shall be handled according to relevant regulations of company law and securities authority.

Article 12-1: When the vacancy of directors reaches one-third of total directors, Board of Directors shall hold temporary shareholders' meeting to conduct by-election within sixty days. The tenure is limited by that the tenure of present director is supplemented.

Article 12-2: Among the the company's above directors' quota, the number of Independent Directors cannot be less than three and cannot be less than one fifth of directors' seats. The professional qualification, shareholding, restriction on part-time work, nomination and election method and other matters which shall be followed related to Independent Director shall be handled according to relevant regulations of securities authority.

Article 12-3: Cause shall be explained for convening the meeting of Board of Directors.

The meeting shall be notified to various Directors seven days in advance.

However, encountering emergency, the meeting shall be convened at any time.

The convene in preceding paragraph shall be notified in written form, e-mail or fax method.

Article 12-4: The Company establishes an audit committee according to the provisions of Article 14-4 of the Securities Exchange Act, and the audit committee comprises all independent directors and shall execute the duties of supervisors stipulated in the Company Act, the Securities Exchange Act and other laws and regulations.

Article 13: Board of Directors is organized by directors. A Board Chairman shall be acted as by the person recommended and agreed by more than a half of the directors who attend the meeting about which above two third directors attend. Board Chairman represents the company externally.

Article 14: When Board Chairman asks for leave or cannot perform function and power for any reason, the agent shall handle it according to the regulations of CCVIII of company law. When the Board of Directors holds the meeting via video conferencing and the directors participate in the meeting through video, they will be deemed as attending in person. When director cannot attend for any reason, director shall issue letter of entrustment and list the authority scope clearly to entrust other director to attend as agent.

Article 15: When the company's Director execute the company's duty, whether the company's business makes profit or loss, the company shall pay remuneration to them. Board of Directors is authorized to determine their remuneration through discussion according to the value of their participation degree and contribution to the company's operation and the standard that the maximum remuneration regulated by the company's employee salary management method cannot be exceeded. If the company has surplus, remuneration shall be distributed separately according to the regulations of Article 19. The remuneration of Independent Director shall be handled according to prior regulations.

Article 16: Directors' meeting shall be attended by more than a half of the Directors and conducted after it is agreed by more than a half of the Directors, unless

otherwise regulated by company law. When Director cannot attend the meeting for any reason, Director shall issue the scope of authority of letter of entrustment to entrust other Director to attend as agent, but one person can only accept one Director's entrustment.

Chapter V Manager

Article 17: The company sets Manager. Manager's appointment, dismiss and remuneration shall be handled according to the regulations of Article XXIX of company law.

Chapter VI Accountant

Article 18: At the end of each accounting year, the Board of Directors shall make: I. Business Report; II. Financial Statements; III. Proposal of Surplus Distribution or Covering Loss and Various Books of Tables and submit them to shareholders' regular meeting for admission.

Article 19: If the company makes profits in the year, not less than ten percent of profits shall be withdrawn as employees' remuneration and not higher than five percent as remuneration of directors. Employee's remuneration shall be issued in stocks or cashes according to the resolution of Board of Directors. The issuance objects include the employees who are subordinate to or control the company and in accordance with certain conditions. When the company still has accumulative loss, it shall preserve the amount to cover loss in advance, and then withdraw employees' remuneration and directors' remuneration according to above proportions. If there is surplus in the company's annual final settlement, taxes shall be paid and accumulative loss shall be covered firstly, and then ten percent of surplus shall be withdrawn as legal surplus accumulation fund (when the legal surplus accumulation fund has reached the company's paid-up capital, it will not be withdrawn), and the balance shall be withdrawn or revolved special surplus reserves according to law. If there is still surplus, Board of Directors shall draw up the surplus distribution proposal and submit it to Board of Shareholders to make resolution on distributing dividends and bonuses to the shareholders with the balance together with the accumulative undistributed surplus of previous years.

If all or part of dividends and bonuses is issued in cash, it shall be agreed by more than a half of the directors who attend the meeting of Board of Directors about which more than two third directors attend and be reported to Board of Shareholders. The regulation that it shall be made resolution by Board of Shareholders in preceding paragraph is not applicable.

Article 19-1: For the distribution of the company's dividends, combining with the surplus status of the current year, in the principle of dividend stability, because the company is in the stage of growth now, based on the company's fund demand in the future and long-term financial planning, distributable surplus in Article XIX to distribute dividends to shareholders shall be made in cash, stock dividend or partial cash dividend and partial stock dividend and other methods. Among which, cash dividend cannot be less than ten percent of total dividends.

Chapter VII Supplementary Provisions

Article 20: In order to give back to the society, perform social duty and invest public welfare activities, the company's operation shall be handled according to relevant management method.

Article 21: The matters not covered in the Articles of Association shall be handled according to the regulations of company law.

Article 22: The Articles of Association was established on Apr. 6, 2000.

The 1st amendment was made on Apr. 6, 2000.

The 2nd amendment was made on Mar. 20, 2001.

The 3rd amendment was made on Aug. 1, 2002.

The 4th amendment was made on Dec. 2, 2002.

The 5th amendment was made on Dec. 2, 2002.

The 6th amendment was made on May 28, 2003.

The 7th amendment was made on Jun. 30, 2004.

The 8th amendment was made on Jun. 27, 2005.

The 9th amendment was made on May 26, 2006.

The 10th amendment was made on May 25, 2007.

The 11th amendment was made on Jun. 6, 2008.

The 12th amendment was made on Jun. 16, 2009.

The 13th amendment was made on Sep. 6, 2010.
The 14th amendment was made on Jun. 18, 2012.
The 15th amendment was made on Jun. 14, 2013.
The 16th amendment was made on Jun. 12, 2014.
The 17th amendment was made on Jun. 13, 2016.
The 18th amendment was made on Jun. 13, 2017.
The 19th amendment was made on Jun. 14, 2018.
The 20th amendment was made on Jun. 12, 2019.
The 21st amendment was made on Jun. 10, 2020.
The 22nd amendment was made on Jun. 8, 2022.

Niko Semiconductor Co., Ltd.

Board Chairman: Yang, Hui-Chiang

Niko Semiconductor Co., Ltd.

Rules of Procedure for Shareholders' Meetings (After Amendment)

Article 1 In order to establish the company's good governance system of Board of Shareholders, improve supervision function and strengthen management mechanism, the rules are formulated according to the regulations of Article V of governance practice standards of listing company and company in over-the-counter market to follow.

Article 2 Unless otherwise regulated by the laws and regulations and the company's Articles of Association, the rules of procedure of the company's Board of Shareholders shall be implemented according to the rules.

Article 3 Unless otherwise regulated by laws and regulations, the company's Board of Shareholders shall be convened by Board of Directors.

Changes in the method of holding the shareholders' meeting of the company shall be resolved by the board of directors, and no later than before the notice of the shareholders' meeting is dispatched.

Article 4 The Company shall prepare electronic versions of the shareholders' meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders' meeting or before 15 days before the date of a special shareholders' meeting. The Company shall prepare electronic versions of the shareholders' meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders' meeting or before 15 days before the date of the special shareholders' meeting. In addition, before 15 days before the date of the shareholders' meeting, the Company shall also have prepared the shareholders' meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby, and shall be issued on the site of the shareholders' meeting.

On the day of the shareholders' meeting, the company shall provide shareholders with handbook and meeting supplementary materials in the preceding paragraph mentioned in the following manner:

1. When the physical shareholder meeting is held, it shall be distributed at the site of the shareholders' meeting.

2. When convening a video-assisted shareholders' meeting, it shall be distributed at the site of the shareholders' meeting and the electronic file shall be sent to the video conference platform

3. When convening a video conference, the electronic file shall be sent to the video conference platform.

Cause of convene shall be indicated on the notice and announcement; if the notice is agreed by the relative party, it shall be made in electronic method.

Article 5 Election or dismissal of directors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders' meeting. None of the above matters may be raised by an extraordinary motion.

Where re-election of all directors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders' meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.

Article 6 A shareholder holding one percent or more of the total number of issued shares may submit to the Company a proposal for discussion at a regular shareholders' meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda.

When the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the Board of Directors may exclude it from the agenda.

A shareholder may propose a recommendation for urging the Company to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting agenda.

Article 7 The company shall announce the accepted shareholders' proposals, written or electronic acceptance method, acceptance place and acceptance term before the shareholders' regular meeting and closing date of transfer of shares; acceptance term cannot be less than ten days.

Article 8 Shareholder's proposal cannot exceed three hundred words. If the proposal exceeds three hundred words, the proposal will not be listed into proposal; shareholder who puts forward proposal shall attend shareholders' regular meeting in person or entrusting other person and participate in the discussion of the proposal. The company shall notify the treatment result to shareholder who puts forward proposal before the convene notice date of shareholders' meeting and list the proposal in accordance with the regulations of this article to meeting notice. For the shareholder's proposal which is not listed into proposal, Board of Directors shall explain the reason for not-listing on the shareholder's meeting.

Article 9 Shareholder shall issue the letter of entrustment printed by the company on each shareholders' meeting to indicate authority scope, entrusted agent to attend shareholders' meeting.

Article 10 A shareholder can issue a letter of entrustment and entrust a person. Letter of entrustment shall be sent to the company five days before the shareholder's meeting. When the letter of entrustment is repeated, the one sent firstly shall prevail. Statement on cancellation of prior entrustment is not limited by this.

After the letter of entrustment is delivered to the company, if the shareholder wants to perform voting power by attending shareholders' meeting in person, via video conference, or in written or electronic method, the shareholder shall send the notice of cancellation of entrustment to the company in written form before two days of shareholders' meeting; if entrustment is cancelled exceeding time limit, the voting power performed by the entrusted agent shall prevail.

Article 11 The place of shareholders' meeting shall be the place where the company is located or facilitates the shareholders to attend and is suitable for holding shareholders' meeting. Meeting's starting time cannot be earlier than 9:00am or later than 15:00pm. The Independent Director's opinions on place and time of convene shall be fully considered.

When the company holds a shareholders' meeting via video conference, it is not subject to the restriction on place in the preceding paragraph.

Article 12 The report time, report place and other matters needing attention of shareholders, solicitors, and authorized agents (hereinafter referred to as shareholders) to be accepted shall be clearly indicated on the meeting notice by the company.

The report time of shareholders to be accepted in preceding paragraph shall be handled 30 minutes before the meeting at least; there shall be clear mark in report place and it shall be handled by adequate and competent personnel. The video conference of the shareholders' meeting shall be registered on the video conference platform of the shareholders' meeting 30 minutes before the start of the meeting. Shareholders who have completed the registration are deemed to have attended the shareholders' meeting in person.

Article 12-1 When the company holds a shareholders' meeting via video conference, the following items shall be specified in the shareholders meeting convening notice:

1. Shareholders' participation in video conferences and methods for exercising their rights.

2. The methods of dealing with obstacles caused by natural disasters, accidents, or other force majeure events to the video conferencing platform or to participate in video conferences, including at least the following items:

(1) The time at which the meeting must be postponed or continued due to the occurrence of previous obstacles that cannot be eliminated, and the date when the meeting must be postponed or continued.

(2) Shareholders who have not registered to participate in the original shareholders' meeting via video conference shall not participate in the postponed or continued meeting.

(3) To convene a video-assisted shareholders' meeting, if the video conference cannot be continued, after deducting the number of shares attending the shareholders' meeting via video conference, the total number of shares attended reaches the statutory quota for the shareholders' meeting, the shareholders' meeting should continue and participate in the video conference. Shareholders, whose number of shares attended shall be included in the total number of shareholders' shares present, shall be deemed to have abstained from voting on all proposals at the shareholders' meeting.

(4) The methods of dealing with the situation where all the motions have been announced and no provisional motions have been made.

3. To convene a video-conference shareholders' meeting, this shall specify appropriate alternative measures for shareholders who have difficulty participating in video-conferencing.

Article 13 The company shall hand the discussion manual, annual report, attendance certificate, speech note, voting vote and other meeting materials to the shareholders attending the shareholders' meeting; if director is elected, election vote shall be attached separately.

Article 14 The shareholder or agent (hereinafter referred to as shareholder) entrusted by shareholder shall attend shareholders' meeting with attendance certificate, attendance card or other attendance certificates. The company cannot randomly increase requirements about the evidentiary document of shareholder's attendance to provide other evidentiary documents; the person who is asked for letter of entrustment shall carry ID certificate for verification.

Article 15 When legal person is shareholder, representatives who attend shareholders' meeting are not limited to one. When the legal person is entrusted to attend shareholders' meeting, it can only assign a person to attend.

Article 15-1 If the shareholders meeting is convened by video conference, shareholders who wish to attend by video conference shall register with the company two days before the shareholders' meeting.

If the shareholders' meeting is held by video conference, the company shall upload the handbook, annual report and other relevant materials to the shareholders' meeting video conference platform at least 30 minutes before the start of the meeting, and continue to disclose them until the end of the meeting.

Article 16 If shareholders' meeting is convened by Board of Directors, Board Chairman shall act as its chairman. When Board Chairman asks for leave for any reason and cannot perform function and power, Board Chairman shall designate a director as agent. If Board Chairman has not designated agent, directors shall recommend a person.

Article 17 If director is agent of chairman of preceding paragraph, the director whose tenure is above six months and knows the company's finance and business status shall act as the agent. If chairman is representative of legal person director, it shall be made in the same manner.

Board Chairman shall preside over the shareholders' meeting convened by Board of Directors in person. More than a half of directors of Board of Directors shall attend the meeting in person and a representative of members of various functional committees shall attend the meeting and the attendance situation shall be recorded on the shareholders' meeting minutes.

Article 18 If the Board of Shareholders is convened by other persons with the right of convene out of Board of Directors, the person with right of convene shall act as chairman. If there are more than two persons with right of convene, they shall recommend a person to act as chairman.

Article 19 The company shall assign entrusted lawyer, accountant or relevant personnel to attend the shareholder's meeting.

Article 20 The company shall continuously make audio and video recording about the acceptance shareholders' report process, meeting process and whole process of

accounting votes and keep the audio and video for a year at least. If shareholder files a lawsuit according to Article CLXXXIX of company law, the audio and video shall be kept to the end of litigation.

If the shareholders' meeting is held by video conference, the company shall keep records of shareholders' registration, check-in, questioning, voting, and company vote counting results, etc., and record and video the entire process of the video conference continuously. The company shall properly keep the above-mentioned materials and audio and video recordings during the duration of existence, and provide the audio and video recordings to the person entrusted to handle the video conferencing affairs for storage.

If the shareholders' meeting is held by video conference, the company should make audio and video recordings of the background operation interface of the video conference platform.

Article 21 Shares shall be calculation basis for attendance of shareholders' meeting. Number of attending shares shall be calculated according to handed card of signing and number of shares registered on the video conferencing platform in adding the number of shares performing voting power through written or electronic method.

Article 22 When it is time for meeting, chairman shall declare to have the meeting immediately, and at the same time announce the number of non-voting rights and the number of shares present, etc. Unless the shareholders who attend the meeting and represent the issued shares less than a half of total number of issued shares, chairman can declare delay of meeting. Number of delay is limited to two. Total delay time cannot exceed one hour totally. When the shareholders who represent less than one third of total number of issued shares attend the meeting after delay for two times, chairman shall declare to cancel the meeting. If the shareholders' meeting is convened by video conference, the company shall also announce to cancel the meeting on the video conference platform of the shareholders meeting.

When the quorum is not met all the same after delay for two times and shareholders who represent more than one third of total number of issued shares attend the meeting, it shall be deemed as false resolution according to the regulations of Item I of CLXXV of company law and false resolution shall be notified to various shareholders and shareholders' meeting shall be convened again within one month. If the shareholders' meeting is convened by video conference, shareholders who wish to attend via video conference shall re-register with the company in accordance with regulations.

Article 23 Before the end of the meeting, if the number of shares represented by the attending shareholders have reached more than a half of the total number of issued shares, chairman shall make it as false resolution and submit it to Board of Shareholders for voting according to the regulations of CLXXIV of company law.

Article 24 If the shareholders' meeting is convened by Board of Directors, its agenda shall be formulated by Board of Directors. Voting proposal by proposal shall be adopted for relevant proposals (including extempore motion and amendment to original proposal). Meeting shall be had according to arranged agenda and cannot be changed without the resolution of Board of Shareholders.

Article 25 If the shareholders' meeting is convened by other person with right of convene out of Board of Directors, the regulations of preceding paragraph are applicable.

Article 26 For the agenda arranged in prior two articles, before the end of discussion of matters (including extempore motion), without resolution, chairman cannot declare to break up the meeting; if chairman violates the rules of procedure to declare to break up the meeting, other members of Board of Directors shall rapidly assist attending shareholders to recommend a person agreed by more than a half of the voting power of attending shareholders to act as chairman according to legal procedures to have the meeting continuously.

Article 27 Chairman shall give the opportunity to fully explain and discuss the proposals and amendment or extempore motion proposed by shareholders. When it is thought the proposal reaches the degree of voting, chairman shall declare stopping discussion and submit for voting and arrange suitable voting time.

Article 28 Before attending shareholder makes speech, the shareholder shall firstly fill speech notes indicating main idea of speech, shareholder's account number (or number of attendance certificate) and account name. Chairman shall determine the speech order.

Article 29 If attending shareholder only submits speech notes and does not make speech, it will be deemed that shareholder has not made speech. If the speech contents are inconsistent with speech notes, the speech contents shall prevail.

Article 30 Each shareholder's speech on the same proposal cannot exceed two times without chairman's approval. Speech cannot exceed five minutes every time. If shareholder's speech violates regulations or exceeds scope of topic for discussion, chairman will stop the speech.

Article 31 When the attending shareholder makes speech, other shareholders cannot make speech to disturb without agreement of chairman and shareholder who is making speech. Chairman will stop the shareholder who violates the regulations.

Article 32 When legal person shareholder assigns more than two representatives to attend shareholders' meeting, only a person can make speech about the same proposal.

Article 33 After attending shareholder makes speech, chairman shall reply in person or by designating other person.

Article 33-1 If the shareholders' meeting is convened by video conference, shareholders who participate in the video conference may ask questions in text on the shareholders meeting video conference platform after the chairman announces the meeting and before the meeting is end. The number of questions for each proposal shall not exceed two times. Limit to 200 characters.

If the question in the preceding paragraph does not violate the regulations or exceed the scope of the proposal, it is advisable to disclose the question on the video conferencing platform of the shareholders meeting for public awareness.

Article 34 Shares shall be calculation basis for voting on shareholders' meeting. For the resolution on shareholders' meeting, shares of the shareholders without voting power will not be included into the total number of issued shares. When the

shareholder has own interested relation to the matter of meeting and it is harmful to the company's benefits, the shareholder cannot participate in voting and the shareholder cannot perform voting power as agent of other shareholders. Shares about which voting power cannot be performed will not be included into the number of voting power of attending shareholders.

Article 35 Except for trust business or the share agency approved by securities authority, when a person is entrusted by more than two shareholders at the same time, the voting power represented by the person cannot exceed three percent of the total voting power of issued shares. If it exceeds the regulated percentage, the performed voting power will not be calculated.

Article 36 Shareholder's each share has one voting power; the shareholder who is limited or without voting power listed in Item II of CLXXIX of company law is not limited by this.

Article 37 When the company holds shareholders' meeting, the voting power shall be performed by electronic method and written form. When voting power is performed in written or electronic method, the performance method shall be indicated on the convene notice of shareholders' meeting. The shareholder who performs voting power in written or electronic method, it will be deemed that the shareholder attends the shareholders' meeting in person. The extempore motion of this shareholders' meeting and amendment to original proposal will be deemed as waiver, thus the company shall avoid putting forward extempore motion and amendment to original proposal.

Article 38 For the shareholder who performs voting power in written or electronic method in preceding paragraph, the meaning expression shall be delivered to the company before two days of shareholders' meeting. When the meaning expressions are repeated, the first delivered one shall prevail. However, statement on cancellation of prior meaning expression is not limited by this.

Article 39 If the shareholder wants to attend shareholders' meeting in person or via video conference after performing voting power in written or electronic method, the shareholder shall cancel the meaning expression for performing voting power in preceding paragraph in the same method of performing voting power two days before shareholders' meeting; if the meaning expression is cancelled exceeding time limit, the voting power performed in written or electronic method shall prevail. If voting power is performed in written or electronic method and agent is entrusted by letter of entrustment to attend shareholders' meeting, the voting power performed by entrusted agent shall prevail.

Article 40 Unless otherwise regulated by company law and the company's Articles of Association, the voting of proposal shall be passed by more than a half of voting power of attending shareholders. When voting, after chairman or the personnel designated by chairman declares the total number of voting power of attending shareholders, shareholders shall vote proposal by proposal. Shareholders' assent, objection and waiver results shall be input open information observatory on the date when the shareholders' meeting is held.

Article 41 When the same proposal has amendment or substitution proposal, chairman shall determine the voting order combining with the original proposal. If one of the proposals has been passed, other proposals will be deemed as veto and will not be voted.

Article 42 The supervision and accounting personnel of voting of proposals shall be designated by chairman, but the supervision personnel shall have shareholder's qualification. The operation of counting votes of voting or election proposals of shareholders' meeting shall be made in the open place of shareholders' meeting. Voting results shall be declared on spot after counting votes is completed, including number of voting, and made into record.

The shareholders' meeting is hold by video conference, Shareholders who participate in the video conference shall vote on various proposals and election proposals through the video conference platform after the chairman announces the opening of the meeting. And should be completed before the chairman announces the end of voting, those who are overdue deeded as a waiver.

If the shareholders' meeting is convened by video conference, after the chairman announces that the voting is over, the votes shall be counted at one time, and the voting and election results shall be announced.

When the company convenes a video-assisted shareholders' meeting, shareholders who have registered to attend the shareholders' meeting via video conference in accordance with the regulations, and who want to attend the physical shareholders' meeting in person, should cancel the registration in the same way as the registration two days before the shareholders' meeting, to attend the general meeting of shareholders only by video conference.

Those who exercise voting rights in writing or electronically without revoking their declaration of intention and participate in the shareholders' meeting by video conference shall not exercise voting rights on the original proposals, propose amendments to the original proposals, or exercise voting rights on amendments to the original proposals, except for ad hoc motions.

Article 43 When the director are elected on the shareholders' meeting, it shall be handled according to the relevant election standards formulated by the company and the election result shall be declared on the spot, including the list of elected directors and their electoral rights and the list of unsuccessful directors and their electoral rights. The election votes in the preceding paragraph shall be sealed and signed and properly kept by supervision personnel for one year at least. If shareholder files a lawsuit according to Article CLXXXIX of company law, the record shall be kept to the end of litigation.

Article 44 The matters of resolution of shareholders' meeting shall be made into meeting minutes which shall be signed or sealed by chairman and the meeting minutes shall be issued to various shareholders within twenty days after the meeting. Production and issuance of meeting minutes shall be made in electronic method.

The issuance of meeting minutes in preceding paragraph shall be made by the company in the method of inputting open information observatory.

Article 45 Meeting minutes shall be recorded according to the real meeting's year, month, day, place, chairman's name, resolution method, main points of discussion process and voting result (including number of voting of statistics). When director is elected, the number of votes of each candidate shall be disclosed. During the existence period of the company, the records shall be preserved permanently.

If the shareholders' meeting is convened by video conference, in addition to

the matters that shall be recorded in accordance with the provisions of the preceding paragraph, the start and end time of the shareholders meeting shall also record, the method of convening the meeting, the name of the chairman and recorder, and the method and situation of the video conferencing platform or participation in the video conference due to natural disasters, accidents or other force majeure.

The Company shall hold a video conference shareholders' meeting, in addition to following the provisions of the preceding paragraph, and shall state in the minutes of the meeting that there are alternative measures provided by shareholders who have difficulties participating in video conference.

Article 46 The company shall make clear disclosure about the number of shares asked by the person who asks for shares, the number of shares of entrusted agent and number of shares attended by shareholders in writing or electronically according to the statistical table compiled according to regulated format in the shareholder's meeting place on the date when shareholders' meeting is held.

If the shareholders' meeting is held by video conference, the company shall upload the above-mentioned information to the shareholders' meeting video conference platform at least 30 minutes before the meeting starts, and continue to disclose it until the end of the meeting.

When the company holds a video conference of the shareholders' meeting and declares the meeting open, the total number of shareholders' shares present shall be disclosed on the video conference platform. The same shall apply if the total number of shares and voting rights of shareholders present are counted separately during the meeting.

If the matter of resolution on shareholders' meeting belongs to the significant information regulated by laws and regulations, consortium legal person or Securities Counter Trade Center of Republic of China, the company shall transmit the contents to open information observatory within regulated time.

Article 47 The meeting personnel who handle the shareholders' meeting shall wear identification card or armband.

Chairman shall command picketer or security guard to assist in maintaining the order of meeting place. When the picketer or security guard is assisting in maintaining the order of meeting place, they shall wear armband with words [picketer] or identification card. If there is amplification equipment in the meeting place, when the shareholder makes speech not using the equipment equipped by the company, chairman shall stop it. If the shareholder violates rules of procedure and does obey chairman's correction and hampers the meeting and does not stop behavior, chairman will command picketer or security guard to ask the shareholder to leave the meeting place.

Article 48 During the meeting, chairman shall arrange the rest time. When the irresistible event happens, chairman shall judge to stop meeting temporarily and declare the time of having meeting later according to the situation.

Article 49 For the agenda arranged for shareholders' meeting, before the end of discussed matters (including extempore motion), if the meeting place cannot be used continuously, resolution shall be made on shareholders' meeting to arrange other place to have the meeting continuously.

- Article 50 Resolution shall be made on the shareholders' meeting according to the regulations of Article CLXXXII of company law to postpone or continue the meeting within five days.
- Article 51 If the shareholders' meeting is held by video conference, the company shall immediately disclose the voting results of various proposals and election results on the shareholders' meeting video conference platform in accordance with regulations after the voting ends, and shall continue to disclose at least 15 minutes after the chairman announces the adjournment of the meeting.
- Article 52 When the company holds a video conference shareholders meeting, the chairman and recorder shall be at the same place in Taiwan, and the chairman shall announce the address of the place where the meeting is held.
- Article 53 If the shareholders' meeting is held by video conference, the company may provide shareholders with a simple connection test before the meeting, and provide relevant services immediately before the meeting and during the meeting to assist in dealing with technical problems in communication.
- Article 54 If the shareholders' meeting is convened by video conference, the chairman shall separately announce that there is no need to postpone or continue the meeting, except for the circumstances stipulated in Item 4 of Article 44-2 of the Standards for the Handling of Stock Affairs of Public Offering Companies when announcing the opening of the meeting. Before the chairman announces the end of the meeting, due to natural disasters, accidents or other force majeure, if there is an obstacle to the video conferencing platform or participation in the form of video, which lasts for more than 30 minutes, the date of the meeting shall be postponed or continued within 5 days, not applicable to the Article CLXXXII of the Company Law.
- Article 55 In the event of the occurrence of the preceding article, the meeting should be postponed or continued, and shareholders who have not registered to participate in the original shareholders' meeting through video conference shall not participate in the postponed or continued meeting. Shareholders who have registered to participate in the original shareholders' meeting and completed the report-in process in accordance with the provisions of the preceding article, and who have not participated in the postponed or continued meeting, the number of shares attended, voting rights and voting rights exercised, shall be included in the total number of shares, voting rights and voting rights of shareholders attending the postponed or continued meeting.
- When postponed or continued a general meeting of shareholders in accordance with the provisions of the preceding article, no re-discussion and resolution is required for proposals that have completed voting and counting, and announced the voting results or the list of directors elected.
- Article 56 When the company convenes a video-assisted shareholders' meeting, and occurred the Article 54 cannot continue the video conference, if the total number of shares present at the shareholders' meeting after deducting the number of shares present at the shareholders' meeting via video conference still reaches the statutory quota for the shareholders' meeting, the

shareholders' meeting shall continue and there is no need to postpone or continue the meeting in accordance with regulations.

In the event that the meeting should continue as mentioned in the preceding paragraph, the shareholders who participate in the shareholders meeting via video conference shall count the number of shares present in the total number of shares of the shareholders present, but shall be deemed as abstaining from voting on all the resolutions of the shareholders meeting.

Article 57 When the company postpones or continues the meeting in accordance with Article 54, it shall comply with the provisions listed in Item 7 of Article 44-2 of the Standards for the Handling of Share Affairs of Public Offering Companies, and in accordance with the date of the original shareholders' meeting and the provisions of each Article, the relevant pre-operations will be handled.

The second paragraph of Article 12 and Item 3 of Article 13 of the Rules for the Use of Power of Attorneys for Attending Shareholders' Meetings by Public Offering Companies, the Item 2 of Article 44-5, Article 44-15, Item 1 of Article 44-17 of the Guidelines for the Handling of Stock Affairs of Public Offering, the company shall postpone or continue the date of the shareholders' meeting in accordance with the provisions of Article 54.

Article 58 When the company holds a video conference shareholders' meeting, it shall provide appropriate alternative measures for shareholders who have difficulties in attending via video-conferencing.

Article 59 The matters not regulated in the rules shall be handled according to the regulations of company law and other relevant laws.

Article 60 The rules are put forward by Board of Directors and submitted to Board of Shareholders to pass and implement. Amendment shall be made in the same manner.

The first amendment of the rules was on May 26, 2006.

The second amendment was on Jun. 18, 2012.

The third amendment was on Jun. 12, 2014.

The fourth amendment was on Jun. 30, 2015.

The fifth amendment was on Jun. 10, 2020.

The sixth amendment was on Jun 8, 2022.

The seventh amendment was on Jun 7, 2023.

[Appendix III]

Niko Semiconductor Co., Ltd.
Shareholding Situations of All the Directors

I. The company's paid-up capital is NTD 612,515,500. Number of issued shares is 61,251,550 shares.

II. According to the regulations of Article XXVI of securities trade law and number of equity of directors and supervisors of public issue company and inspection implementation rules.

Minimum shares (8%) held by all the directors: 4,900,124 shares

III. As of the closing date (Apr. 9, 2023) of transfer of shares of shareholders' regular meeting this time, details about shares held by directors and supervisors recorded on shareholders' register are as follows:

Job Title	Name	Number of Held Shares Recorded on the Shareholders' Register as of Closing Date	
		Number of Shares (Shares)	Shareholding Proportion (%)
Board Chairman	Yang Huiqiang	2,836,779	4.63
Director	Liangyuan Investment Co., Ltd. Representative: Lu Xiaoyu	3,019,007	4.93
Independent Director	Chen Deyu	0	0
Independent Director	Wang Kaimin	0	0
Independent Director	Wu Mingzhi	0	0
Independent Director	Chen Yaoming	0	0
Number of shares held by all the Directors		5,855,786	9.56

[Appendix IV]

This Shareholders' Meeting proposed the Stock dividend Issuance that impact on the Company's Business Performance, Earnings per Share and Shareholder Return Rate :

Item		Year	2023 (estimated)
Paid-in capital at the beginning of the period			612,515,500
Issuance shares and dividends this year (Note 1)	Cash dividend per share		0.40
	Number of issuance shares per share for capital increase converted from earnings (share)		0.16
	Number of issuance shares per share for capital increase converted from capital reserve (share)		—
Changes in operating performance	Operating profit		N/A (Note 2)
	Increase (decrease) ratio of operating profit over the same period of last year (%)		
	Net profit after tax		
	Increase (decrease) ratio of net profit after tax over the same period of last year (%)		
	Earnings per share		
	Increase (decrease) ratio of earnings per share over the same period of last year (%)		
	Annual average return on investment (reciprocal of annual average price-to-earnings ratio) (%)		
Pro forma EPS and price-to-earnings ratio	If all the earnings converted into capital increase are changed to allotment of cash dividends	Pro forma EPS	N/A (Note 2)
		Pro forma annual average return on investment (%)	
	If the capital reserve has not been converted into capital increase	Pro forma EPS	
		Pro forma annual average return on investment (%)	
	If the capital reserve is not undertaken and the earnings converted into capital increase are changed to allotment of cash dividends	Pro forma EPS	
		Pro forma annual average return on investment (%)	

Note 1: The status of issuance shares and dividends for the year 2022 is set out in accordance with the proposal for the distribution of earnings approved by the Board of Directors on March 17, 2023.

Note 2: The Company did not disclose the financial forecast for the year 2023, and thus it is not applicable.