

Stock Code : 2388

VIA Technologies, Inc.

2022 Annual Report

Notice to readers

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

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2021 annual report is available at: <http://www.via.com.tw>

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Deputy Spokesperson

Name : Shao-Lun Lee
Title: Assistant Vice President
Name : Bao-Huei Chen
Title: Assistant Vice President
E-mail:service@via.com.tw

Headquarters, Branches and Plant**Headquarters**

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Stock Transfer Agent

Firm: China Trust Commercial Bank Co., Ltd. Stock Administration Department
Address: 5th Floor, No. 83, Section 1, Chongqing South Road, Taipei City
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Auditors

CPA Firm : Deloitte & Touche Auditors
Auditors : Shu-lin, Liu and Chin-Chuan, Shih
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Part 1 、 Letter to Shareholders

1 、 Preface

Ladies and gentlemen, shareholders:

Despite mounting global economic and geopolitical uncertainty and a marked decline in the demand for technology products and services, the VIA Group achieved solid growth overall in 2022.

Revenues of the VIA Intelligent Solutions Division, formerly known as the VIA Embedded Platform Division, rose in 2022 due to continued demand from OEM projects in the US and Japan as well as increasing global adoption of VIA Intelligent Automotive Solutions in the commercial fleet, industrial vehicle, and heavy equipment safety segments.

With their advanced driver assistance and driver safety system algorithms and flexible cloud connectivity options, the VIA Mobile360 AI Dash Cam and the VIA Mobile360 M800 Video Telematics System have generated increased momentum in the global video telematics market for commercial fleet deployments.

Demand for the VIA Mobile360 Forklift Safety System, which was launched at the beginning of 2021, has also continued to grow in all key global markets across industries as diverse as petrochemicals, food and beverages, construction, warehousing and logistics, and automotive. The roll-outs of new VIA Mobile360 Forklift Safety System models and the attached VIA WorkX Connect Cloud Management Service have opened up new growth opportunities among enterprise customers worldwide.

Successful initial deployments of the VIA Mobile360 Heavy Equipment Safety System in mining and quarrying operations and large-scale construction projects have enabled VIA Intelligent Solutions to establish a strong foundation for accelerating growth in these high-potential market segments.

As governments continue to strengthen vehicle safety laws and regulations, we expect to see continued growth in demand for VIA Intelligent Automotive Solutions across all key global markets in 2023 and beyond. The rising need for enterprises to digitize their physical operations using advanced IoT, AI, and Cloud technologies to boost safety and efficiency is another key trend that will fuel demand for VIA Intelligent Automotive Solutions in the years ahead.

VIA NEXT has continued to enhance the scope of the customized IC backend and system design services that form its core business, including IC mass production & testing services, package design, DFT/DFM, reliability testing, system design, software development, and system software and hardware integration validation. Operating performance has maintained a modest growth rate due to continued demand from its client base.

Despite the decline in demand caused by the severe contraction of the PC market in 2022, VIA Labs has maintained its technology and product leadership in the high-speed data transmission and power IC segment. As the company that launched the world's first USB4 terminal device control chip, the company is well equipped to respond to future changes in market conditions.

2、Business Report

(1) Y2022 Business results

Consolidated operating revenue in 2022 amounts to NTD 9,296,632 thousand. Net loss after tax attributable to the owners of the parent company is NTD 83,635 thousand. Based on the weighted average number of outstanding shares of 496,326 thousand shares, loss per share is NT\$0.17.

Item		2022	2021	
Revenues and expenses	Operating revenue (NTD thousand)	9,296,632	7,001,135	
	Operating income (NTD thousand)	3,316,122	2,987,604	
	Net profit (loss) attributable to owners of the parent company (NTD thousand)	(83,635)	3,960,944	
Profitability	Return on assets (%)	1.19	21.80	
	Return on shareholders' equity (%)	1.55	35.23	
	Percentage of paid-in capital (%)	Operating profit (loss)	0.07	(29.11)
		Net profit before tax	10.66	94.75
	Net profit margin (%)	2.39	62.21	
	Earnings (loss) per share (NTD)	(0.17)	8.01	

Note: The paid-in capital at the end of 2022 is including the capital received in advance of NT\$4,875 thousand.

(2) Looking to the future

As the digital transformation of the enterprise proliferates across the global automotive, transportation, manufacturing, logistics, construction, aggregates, and mining sectors, we see promising growth potential for the VIA Intelligent Solutions Division in 2023 and beyond.

The video telematics segment represents a substantial opportunity for VIA Intelligent Automotive Solutions due to the growing need for commercial and public transportation operators to upgrade the safety of their vehicle fleets by integrating accident prevention and driver behavior monitoring applications to meet new regulatory requirements. Demand for cloud-based vehicle tracking, incident reporting, trip history, and other fleet management functions in order to reduce fuel, maintenance, and insurance costs is also on the rise in both the commercial and public transportation sectors.

Having established a leadership position in the video telematics market with the VIA Mobile360 AI Dash Cam and VIA Mobile360 M800 Video Telematics System, we will continue to increase penetration of key vertical segments including trucking and deliveries, taxis and ridesharing, and buses and coaches through continued system form factor, AI, and cloud optimizations for diverse usage requirements.

Following the successful roll-outs of new VIA Mobile360 Forklift Safety System 2PD and 3PD models and the VIA WorkX Connect Cloud Management Service in 2022, we have gained increased traction for the product among enterprise customers in all key global markets, most notably in North America and Japan. The introduction of the subscription-based VIA WorkX Connect Cloud Management Service is generating additional opportunities for deeper long-term integration with enterprise customer operations through the development of new services and applications for enhancing efficiency and resource utilization.

To take advantage of the promising potential of the aggregates and construction industries, we plan to step up the promotion of the VIA Mobile360 Heavy Equipment Safety System this year and beyond. With its unique vSense sensor fusion technology combining camera AI and radar detection of people and objects, the system has already achieved a leadership position in the market and can be installed on all the most popular classes of heavy vehicles – from loaders, haulers, and bulldozers to telehandlers, high-capacity forklifts, and waste disposal trucks.

To complement its IC backend and system design services, VIA NEXT will develop customer services to meet future market needs.

VIA Labs will continue to leverage its high-speed data transmission design and technology capabilities to develop innovative new products that increase convenience for consumers and business users. As the company that launched the world's first USB4 endpoint device IC, VIA Labs is in a strong position to further extend its market leadership.

As a leading technology company, VIA will continue to strive for innovation in both products and business models in order to provide best-in-class solutions and services to customers and enable them to pursue growth and profitability. By continuing to foster discipline, integrity, and positive beliefs amongst our employees and implementing the company's core values, VIA is committed to generating increased revenues for the Group.

Sincerely yours,

Have a year of peace, joy, and health

Chairman : Wenchi Chen

Part 2 、 Company Profile

1 、 Date of Incorporation : September 11, 1992

The address and telephone number of the company's headquarters, branch offices, and factories:

Address of head office : 8F, 533, Zhongzheng Road, Xindian District, New Taipei City 231, Taiwan, R.O.C.

Tel : +886 (0)2-2218-5452

Branch Address : 2F., No. 9, Lixing 5th Rd., East Dist., Hsinchu City, Taiwan, R.O.C.

Tel : +886 (0)3-666-7336

Branch Address : 6F.-1, No. 322, Mingcheng 2nd Rd., Zuoying Dist., Kaohsiung City, Taiwan, R.O.C.

Tel : +886 (0)2-2218-5452

Factory : 7F., No. 535, Zhongzheng Rd., Xindian Dist., New Taipei City, Taiwan, R.O.C.

Tel : +886 (0)2-2218-5452

2 、 Company History

- | | |
|------|---|
| 1992 | The company was officially established with paid-in capital of NT\$5 million, with ICs used in personal computer motherboards as the main products in September. |
| 1999 | The stock was officially listed in Taiwan in March. |
| 1999 | Signed a contract with USA National Semiconductor to acquire its Cyrix X86 microprocessor business unit for US\$167 million in August. |
| 1999 | Formed S3-VIA with American firm S3 Graphics (S3) to enter the integrated chipset market together. In November, the revenue was NT\$2.054 billion, achieved a new historical revenue high record, which was a 101% increase over the same period last year. |
| 2000 | VIA acquired S3's graphics chip division through the establishment of a joint venture company, named S3 Graphics. VIA and S3 each hold 50% of the equity, and the post of CEO is concurrently held by Wenchi Chen in April. |
| 2000 | VIA and Intel lawsuit declared reconciliation, PC133 and DDR266 have become the consensus for the future development of manufacturers in July. |
| 2000 | VIA acquired the American company IC Ensemble to strengthen its digital and analog-mixed technology capabilities in November. |
| 2001 | Cooperated with Acreo, a Swedish microelectronics research institute, to create the first wireless communication application design center in Europe in May. |
| 2001 | Announced the establishment of the VIA Platform Solutions Division (VPSD) to provide more complete system platform integration capabilities and solutions for existing and emerging information application markets in October. |
| 2002 | Formally promoted the "Canaan Project" and established five product divisions: chipsets, processors, graphics chips, network and optical storage control chips in February. |
| 2002 | Established VIA Optical Solution, a subsidiary of optical storage control chip products in April. |
| 2002 | Announced the acquisition of LSI Logic's CDMA standard product design center and entered the field of wireless communications in May. |

- 2002 Established VIA Networking, a network communications chip design subsidiary in October.
- 2002 Announced the acquisition of Sweden's Freehand DSP AB to strengthen wireless communication technology layout in October.
- 2003 Signed a ten-year cross-licensing agreement with Intel, and the two parties withdrew all litigation and started a long-term and healthy cooperative relationship in April.
- 2005 Announced a new generation of VIA C7 processor in May.
- 2006 Launched 1.5GHz VIA Eden and Eden ULV fanless processors with leading power saving performance in January.
- 2006 Announced ultra-high mobility C7™-M UL ultra-low power processor in June.
- 2006 The board of directors decided to internally adjust the three business divisions: System Platform, CPU Platform and MCE Platform in November.
- 2006 VIA EPIA Mini-ITX platform advances the x86 consumer electronics market in December.
- 2007 Announced CN chipset, fully entered the Vista generation in February.
- 2007 Released the VIA EPIA NX Nano-ITX motherboard in March.
- 2007 Launched the world's smallest x86 Pico-ITX motherboard in April.
- 2007 Launched Eden ULV, the world's most power-efficient x86 processor in August.
- 2008 Announced the next generation of x86 processor core Isaiah in January.
- 2008 Announced a new generation of VIA Nano series processors in May.
- 2008 VIA Nano processor platform won Best of Computex in June.
- 2009 Launched the new Nano 3000 series processors in November.
- 2010 Demonstrated the world's first USB 2.0 audio controller in January.
- 2010 Launched a single-chip integrated chip VX900 system media processor to support HD video acceleration in March.
- 2010 Launched the new Nano E series 64-bit embedded processor in April.
- 2010 Launched the ARTiGO A1100, the smallest fully functional assembled computer on the market in May.
- 2011 Launched Nano X2 processor and Eden X2 processor in January.
- 2011 Introduced the industry's first x86 fanless quad-core processor in June.
- 2012 Launched a single-chip integrated chip VX11 system media processor, supporting Blu-ray and USB3.0 in May.
- 2012 Announced the VAB-800, first ARM-based embedded motherboard in July.
- 2012 Announced the world's smallest x86 quad-core system, VIA ARTiGO A1250 in October.
- 2013 Launched the VIA AMOS-800, the first ARM-based industrial system, in January.
- 2013 Launched the VIA ARTiGO A800, the world's smallest ARM-based embedded system in January.
- 2013 Established a Sino-foreign joint venture company in Shanghai by means of indirect investment with Shanghai Union Investment Co., Ltd in January.
- 2013 Launched a huge Vantage video splicing wall solution consisting of 16 ultra-thin display screens in February.
- 2013 VIA subsidiary VLI's VL811+ USB 3.0 hub controller chip was awarded the USB-IF certification in April.

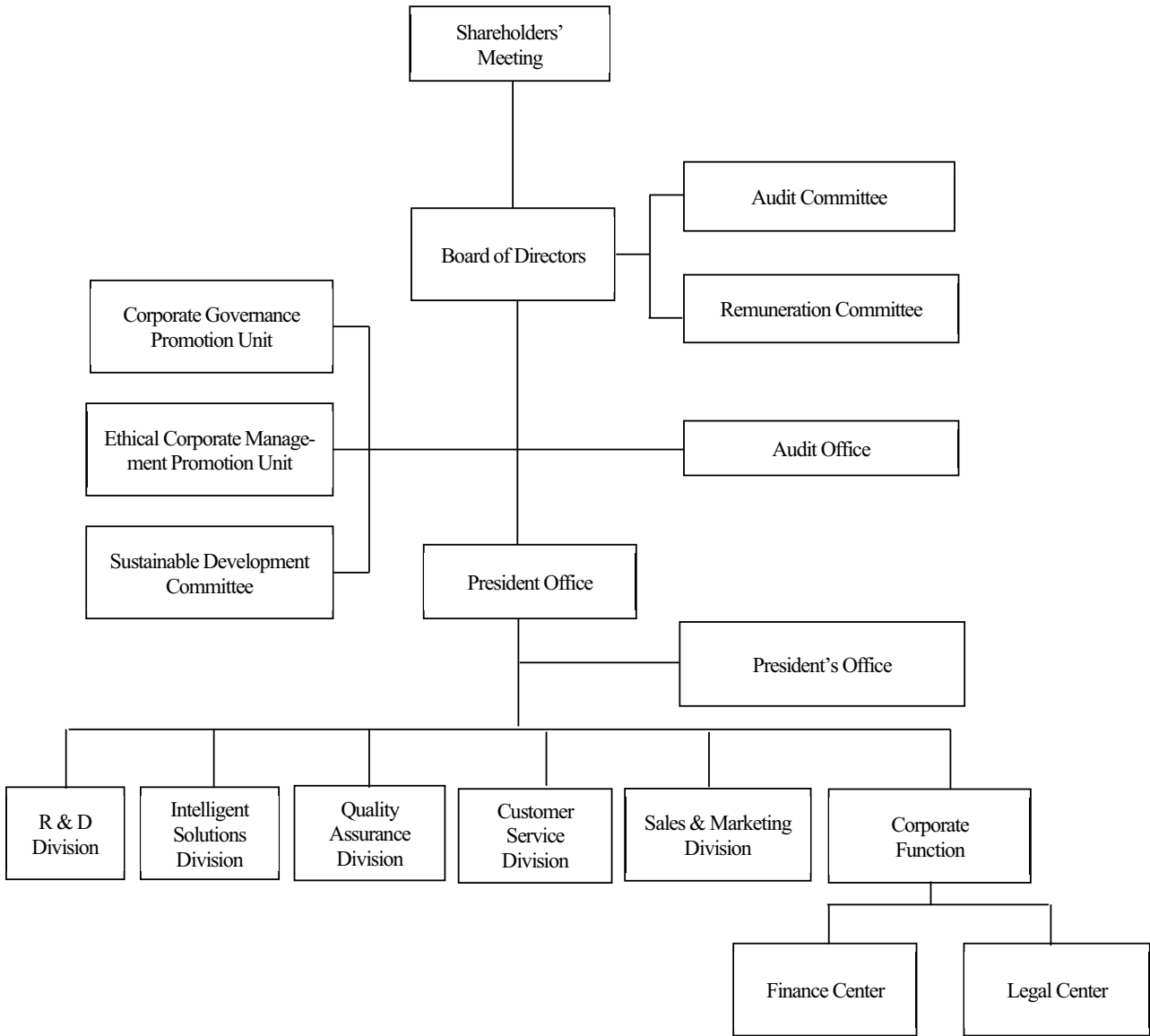
- 2013 VIA Subsidiary WonderMedia announced PRIZM WM8980 Cotex-A9 Dual-Core Platform in April.
- 2013 VIA subsidiary WonderMedia launched the dual-core Cotex-A7 single chip PRIZM8860 in April.
- 2013 Launched VIA AMOS-820, a fanless quad-core ARM-based embedded system in December.
- 2014 Launched VIA ARTiGO A900 Android system in September.
- 2015 Announced the launch of the VIA BLISS platform (bus seat entertainment system).
- 2015 VIA Labs, Inc. (VLI), a subsidiary of VIA, is the world leader in passing USB Type-C product certification in May.
- 2015 VIA subsidiary VIA Labs' VL100 chip receives USB Type-C certification by the USB-IF Association in September.
- 2015 Launched VIA ARTiGO A600 intelligent industrial control system and VIA ARTiGO A820 Enterprise IoT Gateway System in September.
- 2015 The sale of part of the assets of VIA's subsidiary VIA Telecom, to Intel was completed in September.
- 2015 Launched VIA EPIA-E900 Pico-ITXe motherboard in November.
- 2016 VIA AMOS-3005 obtained the 4G LTE certification from Verizon wireless carrier in the United States in January.
- 2016 Launched the smart IoT taxi system with Tokyo Japan Taxi in March.
- 2016 Launched VIA Mobile360 Surround View in-vehicle safety System in April.
- 2016 Announced the VIA AMOS-820 enterprise IoT system in September.
- 2016 Announced the VIA ARTiGO A830 system in September.
- 2017 Launched the VIA VPai720 panoramic photography platform in March.
- 2017 Announced the VIA Mobile360 ADAS sample development kit in July.
- 2017 VIA Subsidiary VIA Labs announced Certification of VL820 USB 3.1 Gen 2 Hub Controller Chip in July.
- 2018 Launched of VPai Home one-stop solution in January.
- 2018 Announced the VIA Mobile360 License Plate Recognition system in March.
- 2018 Announced the VPai Home smart wireless video doorbell one-stop solution in April.
- 2018 Launched the VIA Edge AI Developer Kit in May.
- 2018 VIA subsidiary VIA Labs announced that VP302 and VL103 were the first products to obtain USB-IF PD 3.0 certification in May.
- 2018 Recognized as Alibaba Cloud IoT Smart Manufacturing Quality Partner in July.
- 2018 Launched VIA ALTA DS 3 Edge AI system in September.
- 2018 Won the 27th "Taiwan Excellence Award" with its "Smart Touch Navigator" in November.
- 2018 Launched VIA VPai Solar camera in December.
- 2019 Cooperated with Renai high School to provide VIA AI Learning Kit as a science education solution in March.
- 2019 Launched dual-camera VIA Mobile360 Drive Recorder in March.
- 2019 Announced the VIA Mobile360 Mining Kit set in April.
- 2019 Launched VIA Mobile360 M820 In-Vehicle System supporting full range of ADAS,

- Surround View and Driver Monitoring features in May.
- 2019 Announced that Formosa Sumco Technology (FST) has adopted VIA Factory AI technology for automated wafer defect detection in November.
- 2020 Launched VIA Mobile360 M810 in-vehicle safety system for buses, coaches, and other large vehicles in February.
- 2020 Obtained ISO 26262 vehicle functional safety certification in April.
- 2020 VIA Mobile360 M820 obtains AWS IoT Greengrass certification in May.
- 2020 Launched the VIA Mobile360 AI forklift safety kit in July.
- 2020 Launched VIA Pixetto vision sensor in for AI and ML education in August.
- 2020 Launched VIA VAB-950 motherboard powered by MediaTek i500 AIoT platform in September.
- 2020 Announced that its 100%-owned subsidiaries VIABASE and VIATECH will sell some intellectual property rights related to chipset products, such as technologies and materials, to Shanghai Zhaoxin in October.
- 2021 Demonstrated the the VIA Mobile360 M810 DOD (Dynamic Object Detection) System at the CIMVITL21 (Canadian Institute of Mining Virtual Convention and Expo) in May.
- 2021 Launched VIA Mobile360 Heavy Equipment Safety System at MINEXPO® 2021 in September.
- 2021 VIA subsidiary VIA Labs announced the VL830 USB4 Endpoint Device, the first USB4 chip on the market, in September.
- 2021 Launched the VIA Mobile360 Forklift Safety System with AI-powered pedestrian detection for global markets in October.
- 2021 Announced an agreement with Intel covering the recruitment of certain employees of Centaur, a 100% owned subsidiary of VIA, for \$125 million dollars.
- 2021 Launched the VIA Mobile360 M800 Video Telematics System buses, trucks, and other large vehicles in December.
- 2022 Launch of VIA SOM-9X35 module featuring MediaTek Genio 350 SoCs for Edge AI devices in February.
- 2022 Launch of VIA Mobile360 Forklift Safety System 3PD Package at Logimat 2022 in May.
- 2022 Introduction of 36V–100V DC-DC power converter to ensures the smooth integration of the VIA Mobile360 Forklift Safety System in all types of EV forklifts in June.
- 2022 Announcement of partnership between VIA and TOYOTA Material Handling Taiwan to jointly promote the VIA Mobile360 Forklift Safety System in Taiwan in August.
- 2022 Launch of VIA WorkX Connect Cloud Management Service for Forklifts in October.
- 2022 Launch of VIA SOM-9X12 module featuring MediaTek Genio 1200 SoCs for mainstream and premium edge AI market in October.
- 2022 Launch of Ruggedized VIA AMOS-3007 Intelligent Edge System in November.
- 2023 VIA Returns to Work Truck Show in March.
- 2023 Demonstrated the VIA Mobile360 Heavy Equipment Safety System at the CONEXPO-CON/AGG in March.

Part 3、Corporate Governance Report

1、Organization

1.1 Organizational Chart



1.2 Major corporate functions

Department	Functions
President's Office	Follow the resolution of the board of directors and responsible for overseeing all businesses of the Company.
R&D Division	Build and exploit our core technical capabilities and R&D project portfolios to maintain competitive advantage of overall product.
Intelligent Solutions Division	Build and implement the operating strategy and development project of Intelligent Solutions Division to achieve the medium-term and long-term business targets.
Quality Assurance Division	Promote quality activities, continuously improve capabilities and provide products that meet customer requirements to ensure the highest customer satisfaction.
Customer Service Division	Provide customer product technical support plans to ensure that products meet customer needs and achieve mass production target goals on time as planned.
Sales & Marketing Division	Plan and implement product sales strategies to achieve the medium-term and long-term sales targets.
Finance Center	Responsible for overseeing finance and accounting, tax, credit control, and stocks services to achieve the goal of the company.
Legal Center	Plan and manage corporate legal affairs, formulate internal policies and guidelines, and handle lawsuits to protect the rights of the company.
Auditing Office	Plan and continuously improve the operational procedure, and monitor the actual implementation status of the company's internal management process to reduce the risk of management and improve the efficiency of each department.

2、Directors, President, Vice President, Assistant Vice President and Department Heads

2.1.1 Information on the directors

April 18, 2023; Unit: NTD per thousand; shares; %

Title	Nationality or Registry	Name	Gender Age	Date Elected	Term (Yrs)	Date First Elected	Shareholding when elected		Current Shareholding		Spouse & Minor Shareholding		Nominee Arrangement		Selected Education & Experiences	Current Positions at the Company and Other Companies	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remarks
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman	R.O.C	Wenchii Chen (Note1)	Male 65-70 years old	2022.06 .17	3	1995.02.03	7,353,682	1.48	7,353,682	1.48	34,629,196	6.95	0	0	<ul style="list-style-type: none"> • MSCS, California Institute of Technology. • President, Symphony Laboratories. 	<ul style="list-style-type: none"> • President, VIA Technologies, Inc. • Director, HTC Corporation • Chairman (Representative), Xander International Corp. • Chairman, VIA Labs, Inc. • Chairman (Representative), TVBS Media Inc. • Director, Way-Chih Investment Co., Ltd. • Director, Hsin-Tong Investment Co., Ltd. • Director, Kun-Chang Investment Co., Ltd. • Director, CW & ET Link Inc. • Director, Hung Mao Investment Co., Ltd. • Director, Chuan Te Investment Co., Ltd. • Director, Li Way Investment Co., Ltd. • Director (Representative), Viveport Digital Corporation • Director (Representative), REIGN Technology Corporation • Director (Representative), VIVE Arts Corporation 	Cher Wang	Spouse	(Note 1)	

Title	Nationality or Registry	Name	Gender Age	Date Elected	Term (Yrs)	Date First Elected	Shareholding when elected		Current Shareholding		Spouse & Minor Shareholding		Nominee Arrangement		Selected Education & Experiences	Current Positions at the Company and Other Companies	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship		Remarks	
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name		Relation
Director	R.O.C	Cher Wang	Female 60-65 years old	2022.06 .17	3	1992.09.21	34,629,196	6.98	34,629,196	6.95	7,353,682	1.48	0	0	<ul style="list-style-type: none"> Bachelor in Economics, University of California, Berkeley. GM of the PC Division, First International Computer, Inc. (FIC) 	<ul style="list-style-type: none"> Chairwoman and General Manager, HTC Corporation Chairwoman (Representative), H.T.C. (B.V.I) Corp. Chairwoman (Representative), HTC I Investment Corporation Chairwoman (Representative), HTC Investment Corporation Director, High Tech Computer Asia Pacific Pte. Ltd. Director (Representative), Xander International Corp. Director, VIA Labs, Inc Director (Representative), TVBS Media Inc. Director, Formosa Plastics Corporation Independent Non-Executive Director, Lenovo Group Limited Director, Way-Chih Investment Co., Ltd. Director, Hsin-Tong Investment Co., Ltd. Director, Kun-Chang Investment Co., Ltd. Director, CW & ET Link Inc. Director, Hung Mao Investment Co., Ltd. Director, Chuan Te Investment Co., Ltd. Director, Li Way Investment Co., Ltd. Chairman (Representative), Viveport Digital Corporation Chairman (Representative), REIGN Technology Corporation Director (Representative), VIVE Arts Corporation 	Chairman & President	Wenchi Chen	Spouse	

Title	Nationality or Registry	Name	Gender Age	Date Elected	Term (Yrs)	Date First Elected	Shareholding when elected		Current Shareholding		Spouse & Minor Shareholding		Nominee Arrangement		Selected Education & Experiences	Current Positions at the Company and Other Companies	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remarks
							Shares	%	Shares	%	Shares	%	Shares	%			Shares	%	Title	
Director	R.O.C	Tzunn Lin	Male 65-70 years old	2022.06.17	3	1995.02.03	4,722,119	0.95	4,722,119	0.95	0	0	0	0	<ul style="list-style-type: none"> Ph.D. in Computer Science, California Institute of Technology Director of Engineering, GCH system Inc. Master of Divinity, Fuller Theological Seminary Bachelor in Computer Science, Soochow University Pastor, Bread of Life Christian Church in Taipei MSCS, Utah State University. General Manager of the PCBU, IBM Taiwan Vice President of sales, VIA Technologies, Inc. COO, Wuhan Dopod Communication Corp. COO in China, HTC Corporation 	<ul style="list-style-type: none"> Director and Senior Vice President, VIA Technologies, Inc. Director (Representative), VIA Labs, Inc. 	None	None	None	
Director	R.O.C	Qun-Mao Liu	Male 65-70 years old	2022.06.17	3	2019.06.21	0	0	0	0	0	0	0	0	<ul style="list-style-type: none"> Master of Divinity, Fuller Theological Seminary Bachelor in Computer Science, Soochow University Pastor, Bread of Life Christian Church in Taipei MSCS, Utah State University. 	<ul style="list-style-type: none"> Pastor, Bread of Life Christian Church in Shilin 	None	None	None	
Independent Director	R.O.C	Wei-Teh Hsu	Male 60-65 years old	2022.06.17	3	2016.06.24	0	0	0	0	0	0	0	0	<ul style="list-style-type: none"> General Manager of the PCBU, IBM Taiwan Vice President of sales, VIA Technologies, Inc. COO, Wuhan Dopod Communication Corp. COO in China, HTC Corporation 	<ul style="list-style-type: none"> Senior Consultant, AMA China 	None	None	None	
Independent Director	R.O.C	Ti-Hsiang Wei	Male 60-65 years old	2022.06.17	3	2019.06.21	0	0	0	0	0	0	0	0	<ul style="list-style-type: none"> Bachelor in Chinese Literature, Tamkang University Director and Remuneration Committee Member, Chung Hwa Chemical Industrial Works, Ltd. Chairman, Dandelion Hope Foundation Remuneration Committee Member, HTC Corporation 	<ul style="list-style-type: none"> Director, Giraffe Cultural Enterprises Inc. Chairman, Christian Culture Exchange Association Chairman, the Chinese Christian Corporate Today Media Development Association 	None	None	None	
Independent Director	R.O.C	Wen-Yuen, Ken	Male 65-70 years old	2022.06.17	2	2020.06.19	0	0	0	0	0	0	0	0	<ul style="list-style-type: none"> Master of Science in Computer Science, University of San Francisco, USA Director, Honest Fine Chemical Co., Ltd. 	<ul style="list-style-type: none"> Chairman, Chung Hwa Chemical Industrial Works, Ltd. Director, Everlight Chemical Industrial Corporation 	None	None	None	

Note 1 : Mr. Wenchi Chen has rich management experience and industry talent, so the board of directors appointed Wenchi Chen as Chairman and General Manager, looking forward to taking advantage of his expertise to lead the company's development. Additionally, more than half of the directors of the Company are not employees or managers.

Note 2 : Mr. Wen-Yuen, Ken resigned on Jun. 15, 2023.

2.1.2 Disclosure of Professional Qualifications of Directors and Independence of Independent Directors

April 18, 2023

Name	Criteria	Professional qualification and experience	Independence Criteria (Note 1)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Director, Wenchi Chen		1. Possess engineering background and high-level professional management ability, and does not have one of the conditions of Article 30 of the Company Act. 2. For academic experience, please refer to the information of directors	Not applicable	0
Director, Cher Wang		1. Possess a background in economics and sales, and have high-level professional management capabilities, and does not have one of the conditions of Article 30 of the Company Act. 2. For academic experience, please refer to the information of directors	Not applicable	1 (Note 2)
Director, Tzumu Lin		1. Possess engineering background and high-level professional management ability, and does not have one of the conditions of Article 30 of the Company Act. 2. For academic experience, please refer to the information of directors.	Not applicable	0
Director, Qun-Mao Liu		1. Possess work experience required for business or corporate business and does not have one of the conditions in Article 30 of the Company Act. 2. For academic experience, please refer to the information of directors.	Not applicable	0
Independent Director, Wei-Teh Hsu		1. Possess work experience required for business or corporate business and does not have one of the conditions in Article 30 of the Company Act. 2. For academic experience, please refer to the information of directors.	Meets (1)~(4) Independence	0
Independent Director, Ti-Hsiang Wei		1. Possess work experience required for business or corporate business and does not have one of the conditions in Article 30 of the Company Act. 2. For academic experience, please refer to the information of directors.	Meets (1)~(4) Independence	0
Independent Director, Wen-Yuen Ken		1. Possess work experience required for business or corporate business and does not have one of the conditions in Article 30 of the Company Act. 2. For academic experience, please refer to the information of directors	Meets (1)~(4) Independence	0

Note 1: Status of Independence is as follows:

- (1) Including but not limited to the person, spouse, relatives within the second degree who do not serve as directors, supervisors or employees of the Company or its affiliates.
- (2) The person, spouse, relatives within the second degree of relatives (or in the name of others) do not hold shares in the company.
- (3) Not serving as a director, supervisor or employee of a company that has a specific relationship with the company (refer to the provisions of Article 3, Paragraph 1, Subparagraphs 5 to 8 of the Regulation Governing Appointment of Independent Directors and Compliance Matters for Public Companies).
- (4) There was no remuneration for providing business, legal, financial, accounting and other services to the Company or its affiliates in the last two years.

Note 2: Director Cher Wang served as an independent non-executive director of Lenovo Group Limited (0992HK).

2.1.3 Board Diversity and Independence

(1) Board Diversity :

According to our 「Corporate Governance Best Practice Principles」, the members of the board of directors should select those with the knowledge, skills and qualities necessary to perform their duties to serve as directors according to their professional background in the industry, work field and practical experience, and focus on gender equality, which will be beneficial to the overall development and operation of the company.

The Company's 「Corporate Governance Best Practice Principles」 approved by the board of directors has clearly defined the board diversity policy, as below: Chapter 3 【Enhancing the Functions of the Board of Directors】, Article 22:

The board of directors of the Company shall direct company strategies, supervise the management, and be responsible to the company and shareholders with laws, regulations, its articles of incorporation, and the resolutions of its shareholders meetings.

The structure of the Company's board of directors shall be determined by choosing an appropriate number of board members, not less than five, in consideration of its business scale, the shareholdings of its major shareholders, and practical operational needs.

The Company has always been concerned about gender equality among Board members. All members of the board shall have the knowledge, skills, and experience necessary to perform their duties. To achieve the ideal goal of corporate governance, the board of directors shall possess the following abilities:

1 Ability to make operational judgments. 2 Ability to perform accounting and financial analysis. 3 Ability to conduct management administration. 4 Ability to conduct crisis management. 5 Knowledge of the industry. 6 An international market perspective. 7 Ability to lead. 8 Ability to make policy decisions.

Board Diversity Policy:

1. The proportion of directors who are employees does not exceed 30%. At present, two directors also serve as employees of the company account for 29%.
2. At least one female director seat, currently there is one female director seat, accounting for 14%.
3. The term of office of independent directors exceeds three, and the number of independent directors does not exceed 1/3.
4. The professional background of the directors, at least 2 directors have computer/electrical machinery expertise, and there are 4 directors in this current.

The board members implement the diversity situation, as shown in the attached table (1):

Item	Gender	Part-time employees of the company	Term of Independent Director	Age			Experience				Ability							
				under 50 years	60~65 years	above 65 years	Professional and experience	Financial Accounting	Industry experience	Knowledge of the industry	Financial Accounting	Ability to lead and make policy decisions	Ability to conduct management administration					
Name																		
Wenchi Chen	Male	V				V			Electric machinery	V	V	V	V	V	V	V	V	V

Name	Item	Gender	Part-time employees of the company	Term of Independent Director	Age			Experience					Ability		
					under 50 years	60~65 years	above 65 years	Professional and experience	Financial Accounting	Industry experience	Knowledge of the industry	Financial Accounting	Ability to lead and make policy decisions	Ability to conduct management administration	
Cher Wang		Female			V			Economical	V	V	V	V	V	V	V
Tzumu Lin		Male	V			V		Computer	V	V	V	V	V	V	V
Qun-Mao Liu		Male				V		Electronic computing	V					V	V
Wei-Teh Hsu (Independent director)		Male		3 Tenure	V			Computer	V	V	V	V		V	V
Ti-Hsiang, Wei (Independent director)		Male		2 Tenure	V			Chinese	V	V	V	V		V	V
Wen-Yuen Ken (Independent director)		Male		2 Tenure		V		Computer	V				V	V	V

(2) Independence of the Board of Directors:

The board of directors of the Company has a total of 7 directors, including 3 independent directors, and the composition structure of independent directors accounts for 42.85%; the board of directors is independent, and there are no conditions stipulated in items 3 and 4 of Article 26-3 of the Securities and Exchange Act. Among the members of the board of directors, only director Wenchu Chen and director Cher Wang are spouses, and there are no spouses or relatives within the second degree of kinship between independent directors, and between directors and independent directors.

2.2 Information on the president, vice president, senior manager, various departmental and branch organization supervisors

April 18, 2023; Unit: NTD per thousand; shares; %

Title	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience(Education)	Other Position	Managers who are Spouses or Within Two Degrees of Kinship			Remarks
					Shares	%	Shares	%	Shares	%			Shares	%	Title	
Chairman & President	R.O.C	Wenhi Chen	Male	1992.09	7,353,682	1.48	34,629,196	6.98	0	0	<ul style="list-style-type: none"> MSCS, California Institute of Technology. President, Symphony Laboratories. 	<ul style="list-style-type: none"> Director, HTC Corporation Chairman (Representative), Xander International Corp. Chairman (Representative), VIA Labs, Inc. Chairman (Representative), TVBS Media Inc. Director, Way-Chih Investment Co., Ltd. Director, Hsin-Tong Investment Co., Ltd. Director, Kun-Chang Investment Co., Ltd. Director, CW & ET Link Inc. Director, Hung Mao Investment Co., Ltd. Director, Chuan Te Investment Co., Ltd. Director, Li Way Investment Co., Ltd. Director (Representative), Viveport Digital Corporation Director (Representative), REIGN Technology Corporation 	Director	Cher Wang	Spouse	
Director & Senior Vice President	R.O.C	Tzumu Lin	Male	1992.09	4,722,119	0.95	0	0	0	0	<ul style="list-style-type: none"> Ph.D. in Computer Science, California Institute of Technology Director of Engineering, GCH system Inc. 	<ul style="list-style-type: none"> Director (Representative), VIA Labs, Inc. 	None	None	None	
Vice President	United Kingdom	Richard Brown	Male	2005.08	0	0	0	0	0	0	<ul style="list-style-type: none"> Bachelor in Chinese history, University of Westminster London Director of Marketing, First International Computer, Inc. (FIC) 	None	None	None	None	
Vice President	R.O.C	Jia-Long Wu	Male	2008.01	43,268	0.01	0	0	0	0	<ul style="list-style-type: none"> Master of Electrical and Computer Engineering, University of Missouri Columbia, USA. Deputy Manager of Engineering, Yosun Industrial Corp. 	None	None	None	None	

Title	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience(Education)	Other Position	Managers who are Spouses or Within Two Degrees of Kinship			Remarks
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Vice President	R.O.C	Tom Hsu	Male	2008.01	200	0	0	0	0	0	<ul style="list-style-type: none"> EMBA, National School of Development at Peking University GM of China, ADI Corporation 	None	None	None	None	
Vice President	R.O.C	Shao-Lun Lee (Note 1)	Male	2012.04	45,000	0.01	0	0	0	0	<ul style="list-style-type: none"> Ph.D. in Materials Science, UCLA Executive Vice President, Lam Research Co., Ltd. 	<ul style="list-style-type: none"> Director (Representative), TVBS Media Inc. Founder, IC975 Radio Station Chairman, FiberLogic Communications, Inc. Directors, Chinese Christian Faith and Love Foundation Directors, VIA Faith and Love Charity Foundation Independent Director, Sino-American Silicon Products Inc. 	None	None	None	
Vice President	R.O.C	Bao-Huei Chen	Female	2015.11	130,000	0.03	0	0	0	0	<ul style="list-style-type: none"> Master of Accounting, Soochow University Auditing Services Manager, Deloitte & Touche, Taiwan 	Director (Representative), HLJ Technology Co., Ltd.	None	None	None	
Vice President	R.O.C	Epan Wu	Female	2015.11	31,000	0.01	0	0	0	0	<ul style="list-style-type: none"> Bachelor of Science, Management Information Systems, National Taiwan University Program for Leadership Development (PLD), Harvard Business School 	<ul style="list-style-type: none"> Director (Representative), Openfind Information Technology Inc. Chairwomen (Representative), Intu-imit Inc. 	None	None	None	
Assistant Vice President	R.O.C	Neng-An Kuo	Male	2008.05	0	0	0	0	0	0	<ul style="list-style-type: none"> Telecommunication Institute, National Chiao Tung University, M.S.E.E. Assistant Vice President, Veridata Electronics, Inc. 	None	None	None	None	
Assistant Vice President	R.O.C	Meng-Cheng Ku	Female	2010.01	2,616	0	0	0	0	0	<ul style="list-style-type: none"> Master in Computer Science of EECs, National Chiao Tung University Project Researcher, Acer Computer Co., Ltd. Software Research Fellow, Acer Inc. 	None	None	None	None	
Assistant Vice President	R.O.C	Cheng-Hui Pu	Male	2018.6	10,685	0	0	0	0	0	<ul style="list-style-type: none"> MBA, Pacific Western University Engineer, S3 International, Ltd., Taiwan 	None	None	None	None	
Assistant Vice President	R.O.C	Shu-Fen Huang (Note 2)	Female	2017.7	0	0	0	0	0	0	<ul style="list-style-type: none"> J.D., West Virginia University College of Law. MBA, West Virginia University College of Business and Economics Director, Intellectual Property and Legal Department, Yageo Corporation 	None	None	None	None	
Assistant Vice President	R.O.C	Chang Ching-Chen (Note 3)	Male	2023.2	1,000	0	0	0	0	0	<ul style="list-style-type: none"> Bachelor of Laws and International Trade, NTU. General Counsel, Taiflex Scientific Co., Ltd. 	None	None	None	None	

Note 1: Shao-Lun Lee started serving as the Company's Consultant on Jan 1, 2023.

Note 2: Shu-Fen Huang resigned on Apr. 08, 2022.

Note 3: Chang Ching-Chen assumed on February 21, 2023.

Scale of remunerations

Scale of remunerations to managers of the Company	Total of President and Vice Presidents	
	The company	Companies in the consolidated financial statements
Less than NT\$ 1,000,000	Wenchi Chen 、 Tzumu Lin	Wenchi Chen
NT\$1,000,000 ~ NT\$1,999,999	-	-
NT\$2,000,000 ~ NT\$3,499,999	Tom Hsu	Tzumu Lin
NT\$3,500,000 ~ NT\$4,999,999	Richard Brown 、 Shao-Lun Lee	Tom Hsu Richard Brown 、 Shao-Lun Lee
NT\$5,000,000 ~ NT\$9,999,999	Bao-Huei Chen 、 Epan Wu 、 Jia-Long Wu	Bao-Huei Chen 、 Epan Wu 、 Jia-Long Wu
NT\$10,000,000 ~ NT\$14,999,999		
NT\$15,000,000 ~ NT\$29,999,999		
NT\$30,000,000 ~ NT\$49,999,999		
NT\$50,000,000 ~ NT\$99,999,999		
Greater than or equal to NT\$100,000,000		
Total	8	8

*Compensation information disclosed in this statement differs from the concept of income under the Income Tax Act. This statement is intended to provide information disclosure and not tax-related information.

3. 3 Remuneration to the Five Highest Remunerated Management Personnel

December 31, 2022
Unit: NT\$ thousands

Job title	Name	Salary (A)		Retirement pay and pension (B)		Rewards and special disbursements (C)		Employee profit-sharing compensation (D)				Sum of A+B+C+D and ratio to net income (%)		Remuneration received from investee enterprises other than subsidiaries or from the parent company
		The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company		All consolidated entities		The Company	All consolidated entities	
								Amount in cash	Amount in stock	Amount in cash	Amount in stock			
Vice President	Bao-Huei Chen	2,718	2,718	108	108	3,780	3,780	0	0	0	0	6,606	6,606	None
												-7.90%	-7.90%	
Vice President	Epan Wu	2,550	2,550	108	108	2,790	2,790	0	0	0	0	5,448	5,448	None
												-6.51%	-6.51%	
Vice President	Jia-Long Wu	3,110	3,110	0	0	1,960	1,960	0	0	0	0	5,070	5,070	None
												-6.06%	-6.06%	
Vice President	Tom Hsu	1,770	3,973	0	45	960	960	0	0	0	0	2,730	4,978	None
												-3.26%	-5.95%	
Vice President	Shao-Lun Lee	3,365	3,365	108	108	1,290	1,290	0	0	0	0	4,763	4,763	None
												-5.69%	-5.69%	

*Compensation information disclosed in this statement differs from the concept of income under the Income Tax Act. This statement is intended to provide information disclosure and not tax-related information.

3. 4 Employee Compensation Granted to Management Team
Distributable employee compensation in 2022

December 31, 2022
Unit: NT\$ thousand

	Title	Name	Employee Compensation - in Stock (Fair Market Value)	Employee Compensation - in Cash	Total	Ratio of Total Amount to Net Income (%)
Executive Officers	Chairman	Wenchi Chen	0	0	0	0
	Senior Vice President	Tzumu Lin				
	Vice President	Richard Brown				
	Vice President	Jia-Long Wu				
	Vice President	Shao-Lun Lee (Note 1)				
	Vice President	Tom Hsu				
	Vice President	Epan Wu				
	Vice President/ Chief Financial Officer	Bao-Huei Chen				
	Assistant Vice President	Neng-An Kuo				
	Assistant Vice President	Meng-Cheng Ku				
	Assistant Vice President	Cheng-Hui Pu				
	Assistant Vice President	Shu-Fen Huang (Note 2)				
	Assistant Vice President	Chang Ching-Chen (Note 3)				

After-tax loss in 2022 was NT\$83,635 thousand, so no employee remuneration was allocated.

Note 1: Vice president Shao-Lun Lee started serving as the Company's Consultant on Jan 1, 2023.

Note 2: Assistant Vice president Shu-Fen Huang resigned on Apr. 08, 2022.

Note 3: Assistant Vice president Chang Ching-Chen assumed on February 21, 2023.

3. 5 Compare and explain the analysis of the total remuneration paid to the directors, , general managers and deputy general managers of the company in the most recent two years by the company and all companies in the consolidated financial statements as a percentage of the net profit after tax of individual or individual financial reports, and explain the remuneration policies 、standards and combinations, the procedures for setting remuneration, and the correlation with operating performance and future risk :

1 、 Analysis of the proportion of the total remuneration paid to the directors, president and vice president of the company in the net profit after tax in the last two years :

Title	Total remuneration as a percentage of net profit after tax (%)			
	2021		2022	
	The company	Companies in the financial statements	The company	Companies in the financial statements
Directors	0.05	0.12	-1.15	-4.69
President and vice president	1.15	1.28	-34.39	-40.40

The remuneration of the directors of the Company is in accordance with Article 20 of the Articles of Incorporation. If the Company makes a profit, no more than 1% will be allocated as remuneration of directors, but when there are accumulated losses, the amount should be reserved in advance. The after-tax loss in 2022 is NT\$83,635 thousand, so no remuneration for directors will be distributed. Only in accordance with Article 17 of the company's articles of association, the directors may be given traveling expenses. Except for the directors of the company who concurrently serve as employees of the company included in the consolidated financial report, they only receive the traveling expenses for board meetings

and the remuneration for remuneration committee members and audit committee members as executive business expenses. There is no significant difference between the total remuneration paid to directors in 2022 and 2021 as a percentage of net profit after tax.

The ratio of President and Vice president's remuneration to after-tax net profit is negative, mainly because the after-tax profit in the current period is negative, and the total amount of this period is reduced by NT\$18,000 thousand compared with the previous period. There is no significant difference between the rest of remuneration paid to directors in 2022 and 2021.

2、Compensation policy, standards/packages, procedures, the linkage to operating performance and future risk exposure.

(2-1) The remuneration of Director:

The remuneration of the directors of the Company is in accordance with Article 20 of the Articles of Incorporation. If the Company makes a profit, no more than 1% will be allocated as remuneration of directors, but when there are accumulated losses, the amount should be reserved in advance. The after-tax loss in 2022 is NT\$83,635,000, so no remuneration for directors and supervisors will be distributed. In accordance with Article 17 of the company's articles of association, the directors may pay remuneration regardless of the company's operating profit or loss when performing their duties. Its remuneration is authorized to the board of directors to base on the degree of participation, contribution of the directors in the operation, and the usual level of payment in the same business. At present, the fixed remuneration for independent directors serving as functional committees is NT\$10,000 monthly for each member of each committee. Normal directors do not receive fixed remuneration. The amount of remuneration is paid in accordance with the "Remuneration Committee Management Measures", which has been reviewed and approved by the Remuneration Committee and the Board of Directors.

(2-2) The remuneration of President and Vice President:

The company's "Salary Management Measures" clearly stipulate the job descriptions of each position, the job responsibilities of each position, and the salary structure of various work allowances and bonuses. Relevant bonuses for managers are based on the company's annual operating performance, financial status, and work performance evaluation results performed every six months in accordance with the "Performance Management Measures" as a reference for the issuance of bonuses for the general manager and deputy general manager. The general manager and deputy general manager performance evaluation items include financial indicators (the contribution of each business department to the company's profit, the manager's goal achievement rate, etc.) and non-financial indicators (the practice of the company's core values, operational management capabilities, corporate governance performance etc.), calculate the remuneration for its operating performance, which has been reviewed and approved by the Remuneration Committee and the Board of Directors.

(2-3) Business performance goals and future risk control, including short-, medium-, and long-term risk considerations when drafting company strategies, operating plans, and annual budgets at the beginning of each year, submitting quarterly budget implementation status to the Audit Committee and Board of Directors reports, and quarterly reviewing the management team Performance achievement rate and contribution, and make rolling adjustments to the budget to ensure that possible risks within the scope of the manager's responsibilities can be managed and prevented, and the actual performance of the manager is linked to human resources and related salary and compensation policies.

4、Implementation of Corporate Governance

4.1.1 Board of Directors

A total of 5 meetings of the board of directors were held in 2022. The attendance of director was as follows:

Title	Name (Note1)	Attendance in Person	By Proxy	Attendance Rate (%) (Note2)	Remarks
Chairman	Wenchi Chen	5	0	100	
Director	Cher Wang	5	0	100	
Director	Tzumu Lin	5	0	100	
Director	Qun-Mao Liu	5	0	100	
Independent Director	Wei-Teh Hsu	5	0	100	
Independent Director	Ti-Hsiang Wei	5	0	100	
Independent Director	Wen-Yuen Ken	5	0	100	

Other mentionable items:

1. If there are any of the following circumstances applies, the dates of meetings, sessions, contents of motions, all independents' opinion and the Company's response to independent directors' opinion should be specified:
 - (1) Circumstances referred to in Article 14-3 of Securities and Exchange Act. (Please refer to this paragraph of this annual report 4.1.1.2 Important resolutions of the board of directors): Approved by all independent directors.
 - (2) In addition to the previous issues, other board meeting resolutions that have been opposed or reserved by independent directors and have records or written statements.: None.
2. If there is Directors' avoidance of motions in conflict of interest, the Directors' names, contents of motions, causes for avoidance and voting should be specified: In the 2022 board meeting, there is no need to avoid the proposal of interest.
3. The listed company shall disclose the evaluation cycle and period, evaluation scope, method and evaluation content of the self (or peer) evaluation by the board of directors, and fill in the attached Table 4.1.2 Board performance evaluation implementation status.
According to Article 3 of the company's "Board of Directors Performance Evaluation Measures", the performance evaluation of the 2022 annual board of directors will be carried out. The scope of internal evaluation includes the board of directors, individual directors and functional committees. In addition, at least once every three years, an external professional independent organization will conduct an evaluation. In 2022, the China Corporate Governance Association will be appointed as an external evaluation agency to perform an external evaluation of the performance of the board of directors. The above performance evaluation results will be submitted to the board of directors on March 9, 2023.
4. The objectives of strengthening the functions of the board of directors in the current year and the most recent year (such as setting up an audit committee, enhancing information transparency, etc.) and evaluation of the implementation situation:
 - (1) All the Board Directors should attend 35 meetings in 2022 and they actually attended 35 meetings, representing an actual attendance rate of 100%.
 - (2) The continuing education hours of each director in 2022 were in compliance with the provision of the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies".
 - (3) In 2022, Independent Directors Ti Hsiang, Wei Wei-Teh Hsu and Wen-Yuen Ken had an attendance rate of 100%, which complies with the requirement that at least one Independent Director should attend in person at each board meeting.

4. 1. 2 Implementation status of board performance evaluation

Performance Evaluation - Object & Way	Circle	Period	Range	Method	Content	Result
Board of Directors & Board Members - Self-evaluation	Conducted once a year	2022.01.01 ~ 2022.12.31	The board as a whole、Individual Directors、Functional committees (Remuneration Committee and Audit Committee) performance evaluation	The execution unit of the performance evaluation of the company's internal board of directors is carried out by the company's governance promotion unit, using internal questionnaire. Internal self-evaluation by the board of directors and self-evaluation by directors.	(1) Board performance evaluation: the degree of participation in the company's operations, the quality of board decisions, the composition and structure of the board, the selection and continuous education of directors, and internal control. (2) Performance evaluation of individual directors: mastery of company goals and tasks, awareness of directors' responsibilities, participation in company operations, internal relationship management and communication, directors' professional and continuous education, and internal control. (3) Performance evaluation of functional committees: the degree of participation in the company's operations, awareness of the responsibilities of the functional committees, the decision-making quality of the functional committees, the composition of the functional committees and the selection of members, and internal control.	Please detail the evaluation results as follows.
Board of Directors & Board Members - Other Comments	Conducted once 3 years	2021.11.01 ~ 2022.10.31	Board Members, Head of Corporate Governance & Audit	Commissioned by the Taiwan Corporate Governance Association which to implement 2021.11.1~2022.10.31. External Evaluation of Board Performance. The evaluation method is the association's pre-book review and video interview evaluation.	Including: 1. The composition of the board of directors. 2. Guidance by the board of directors. 3. Authorization by the board of directors. 4. Supervision by the board of directors. 5. Communication with the board of directors. 6. Internal control and risk management. 7. Self-discipline of the board of directors. 8. Other (such as board meetings, support systems, etc.). The association reviews the content and materials provided by the company's self-assessment, conducts follow-up video interviews, and finally issues an evaluation report. The detailed content has been placed on the company website, and its path as below: https://www.viatech.com/tw/about-tw/investor-relations/corporate-governance .	1. The company's criteria for nominating directors, in addition to meeting the professional talents required for the company's operation and development, pay more attention to the values of integrity and morality. The company upholds a transparent and open attitude and attaches great importance to matters and opinions raised by directors. All proposals of the board of directors are fully communicated and discussed before the meeting to ensure the consensus of the board of directors on major decisions. 2. After the new independent director takes office, the company invites the heads of all business units to report to the audit committee. 3. The company has paid more and more attention to corporate governance in recent years, and the corporate governance evaluation level has been gradually improved within two years; at

						the end of the year, the schedule and agenda of the board of directors and functional committees for the next year have been arranged, and directors have been assisted in further training. The corporate governance supervisor is fully responsible.
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2021 Annual Board Performance Evaluation Statistics Results :

- (1) The self-assessment of the performance evaluation of the board of directors includes the following five aspects and a total of 45 indicators.

Appraisers: Chairman Wenchi Chen, Director Cher Wang, Director Tzumu Lin, Director Qun-Mao Liu, Independent Director Ti-Hsiang Wei, Independent Director Wei-Teh Hsu, Independent Director Wen-Yuen Ken, a total of 7 people.

Five aspects of self-evaluation	Assessment items	Score results
A. The degree of participation of the company's operations	12	4.38
B. Improve the quality of board decisions	12	4.46
C. Board composition and structure	7	4.53
D. Director selection and continuing education	7	4.33
E. Internal Control	7	4.49
Subtotal	45	4.43

Evaluation result:

The overall score is 4.43, and the overall operation of the board of directors is rated excellent. The score for the " Director selection and continuing education" is slightly lower, mainly because the company has not yet formulated a rigorous and transparent director selection process and succession plan..

- (2) The self-evaluation of performance evaluation of board members includes the following six aspects, totaling 23 indicators.

Appraisers: Chairman Wenchi Chen, Director Cher Wang, Director Tzumu Lin, Director Qun-Mao Liu, Independent Director Ti-Hsiang Wei, Independent Director Wei-Teh Hsu, Independent Director Wen-Yuen Ken, a total of 7 people.

Six aspects of self-evaluation	Assessment items	Score results
A. The degree of participation of the company's operations	3	4.48
B. Improve the quality of board decisions	3	4.67
C. Board composition and structure	8	4.50
D. Internal relationship management and communication	3	4.52
E. Director selection and continuing education	3	4.48
F. Internal Control	3	4.52
Subtotal	23	4.52

Evaluation result:

The overall score is 4.52, the directors' participation in the board of directors' operations was rated well. The members of the board of directors are professional and responsible, and communicate well.

- (3) The performance evaluation self-assessment of the Audit Committee includes the following five aspects and a total of 22 indicators.

Appraisers: Independent Director Ti-Hsiang Wei, Independent Director Wei-Teh Hsu, Independent Director Wen-Yuen Ken, a total of 3 people. The evaluation results are as follows.

Five aspects of self-evaluation	Assessment items	Score results
A. The degree of participation of the company's operations	4	4.42
B. Functional Committee Responsibility Recognition	5	4.07
C. Improve the decision-making quality of functional committees	7	4.05
D. Functional committee composition and member selection	3	4.22
E. Internal Control	3	4.00
Subtotal	22	4.14

Evaluation result:

The overall score is 4.14, and the overall operation of the audit committee is rated as good. The members of the committee are independent and effective. The scores for "Committee Composition and Member Selection" and "Internal Control" are slightly lower. It is advisable to strengthen the provision of relevant information to the members.

- (4) The self-assessment of the performance evaluation of the remuneration committee includes the following four aspects and a total of 19 indicators.

Appraisers: Independent Director Ti-Hsiang Wei, Independent Director Wei-Teh Hsu, Independent Director Wen-Yuen Ken, Committee Member Chong-Zen Hsieh, Committee Member Mao-Song Chang, a total of 5 people.

Four aspects of self-evaluation	Assessment items	Score results
A. The degree of participation of the company's operations	4	4.60
B. Functional Committee Responsibility Recognition	5	4.24
C. Improve the decision-making quality of functional committees	7	4.43
D. Functional committee composition and member selection	3	4.47
Subtotal	19	4.42

Evaluation result:

The overall score is 4.42, and the overall operation of the remuneration committee is rated excellent. The performance evaluation of the remuneration committee has low scores in terms of committee responsibilities. It is advisable to strengthen the provision of relevant information to members in order to improve the cognition of the committee's responsibilities.

- (5) Overall evaluation: Excellent

On the whole, the board of directors is operating well and will continue to strengthen based on the results of this board of directors' evaluation to improve the effectiveness of corporate governance. Directors recommend the Company strengthens the link between managers' performance and rewards. Furthermore, the board of directors should establish an atmosphere for full discussion and improve the operation efficiency of the board of directors to comply with Corporate Governance 3.0.

4.2 Audit Committee for Board Meeting

The audit committee of the company is composed of 3 independent directors. The audit committee aims to assist the board of directors in supervising the company's quality and integrity in the implementation of

accounting, auditing, financial reporting processes, internal control, risk control, and compliance with customs laws and regulations.

4.2.1 Audit Committee

A total of 4 (A) Audit Committee meetings were held in 2022. The attendance of the independent directors was as follows:

Title	Name	Attendance in Person(B)	By Proxy	Attendance Rate (%) 【B/A】 (Noted)	Remarks
Independent Director	Ti-Hsiang Wei	4	0	100	
Independent Director	Wei-Teh Hsu	4	0	100	
Independent Director	Wen-Yuen Ken	4	0	100	

Other mentionable items:

1. Audit Committee's main responsibilities :

Article 6 of the Company's [Organization Regulations of the Audit Committee]:

- (1) Establish or amend the internal control system in accordance with the provisions of Article 14-1 of the Securities and Exchange Law.
- (2) Evaluation of the effectiveness of the internal control system.
- (3) In accordance with the provisions of Article 36-1 of the Securities and Exchange Act, stipulate or amend the procedures for the acquisition or disposal of assets, derivative commodity transactions, fund lending to others,
- (4) Matters involving the interests of the directors themselves.
- (5) Significant asset or derivative commodity transactions.
- (6) Significant capital loans, endorsements or guarantees.
- (7) Raising, issuing or private placement of equity securities.
- (8) Appointment, dismissal or remuneration of certified public accountants.
- (9) Appointment and removal of the head of finance, accounting or internal audit supervisors.
- (10) Annual financial report and semi-annual financial report.
- (11) Other major matters stipulated by the company or the competent authority.

Annual work focus of the audit committee is to review financial reports, internal audit reports, supervise various important risk issues and internal control, and review the independence and competence of certified public accountants.

2. If there were any resolutions involving a director recusing himself due to a conflict of interest, disclose the name of the director, the proposal in question, the reason for recusal, and whether the director voted:

The board did not have any conflicts of interest in 2021.

3. The communication between independent directors and internal audit supervisors :

- (1) Before the end of the fiscal year, the company will review and approve the audit plan for the next year, and then submit it to the board of directors for resolution.
- (2) After the audit report and the follow-up report are reviewed, the independent directors will be notified before the end of the next month after the audit project is completed, so that the independent directors can understand the audit operation.
- (3) The company revised its internal control system and internal audit system, and submitted it to the board of directors for resolution after review and approval by the audit committee.
- (4) The company evaluates the internal control system design and implementation results on its own, and issues an internal control system statement after approval by the audit committee, and then submits it to the board of directors for resolution.
- (5) Usually, the audit supervisor can communicate with independent directors by phone or e-mail according to actual needs.

(6) Summary of the communication between independent directors and internal audit in 2022:

Date of Audit Committee Meeting	Way of communication	Communication matters	Communicate results
Mar. 04, 2022	The Audit Committee	Submit the 2021 "Internal Control System Statement" case. Audit business report from October 2021 to January 2022.	Submit the resolution to the board of directors after approval. Awareness

Apr. 27, 2022	The Audit Committee	Audit business report from February to March 2022.	Awareness
Jul. 27, 2022	The Audit Committee	Audit business report from April to June 2022.	Awareness
Oct. 31, 2022	The Audit Committee	Audit business report from July to September 2022. 2023 annual audit plan case.	Awareness Submit the resolution to the board of directors after approval.

4. Communication between independent directors and accountants:

- (1) For the company's annual financial report, the audit committee shall provide a certified accountant with an explanation of the audit results and audit opinions before the financial report is reviewed. A written communication letter is sent annually to report and check risks, check key items and necessary explanations.

Date of Audit Committee Meeting	Way of communication	Communication matters	Communicate results
Oct. 31, 2022	The Audit Committee	1. The company appointed Deloitte & Touche to perform the audit of China's 2022 financial statements. The certified accountants are Shu-Lin Liu and Chin-Chuan Shih. According to the 62nd Bulletin of Auditing Standards and the Deloitte Global Audit Quality policy, the accountants and the audit team communicate with the company's audit committee in a timely manner in an audit. 2. The main purpose of the communication is to explain the methodologies of the inspectors in performing the audit work, the understanding and findings of the inspected company at the planning stage or at the conclusion of the inspection, and to maintain two-way communication with the members of the company's audit committee to strengthen corporate governance.	Awareness
Oct. 31, 2022	Symposium (single session)	1. Subsidiary inspection and important information announcement. 2. Other major accounting and audit issues.	Awareness

- (2) The company regularly evaluates the independence of the appointed accountant every year, and obtains an independence statement issued by the appointed certified accountant every year for the audit committee and the board of directors to review. In order to ensure the independence of accountants, the thirteenth audit committee of the first session on March 04, 2022 and the first board of directors review and approval on March 08, 2022, the certified accountants Shu-Lin Liu and Chin-Chuan Shih in Deloitte & Touche, are in compliance Independence assessment standards, enough to serve as the company's financial and tax accountants.

5. The operation of the audit committee in the past year

Date	Proposal content	Securities and Exchange Act #14-5 listed items	Any Independent Director Had a Dissenting Opinion or Qualified Opinion
2022/3/4 First Term The 13th time	1. The company's 2021 business report and financial statements.	V	None
	2. The company's 2021 cash dividend distribution.	V	None
	3. The company's 2021 Retained Earnings Distribution.	V	None
	4. Audit supervisor report.	V	None
	5. Submit the 2021 "Internal Control System Statement".	V	None
	6. Amendment to the "Procedures for Acquisition or Disposal of Assets"	V	None

	7. The company's 2022 accountant independence assessment, appointment and remuneration proposal.	V	None
	8. The proposal on employee stock option were exercised in the 4th quarter of 2021 and converted into new common shares issued by the Company.	V	None
	9. Bank credit line application.	V	None
	Audit committee resolution result: all present members of the audit committee agreed to pass.		
2022/4/27 First Term The 14th time	1. The company's financial statements for the first quarter of 2022.		None
	2. Audit supervisor report.	V	None
	3. The proposal on employee stock option were exercised in the first quarter of 2021 and converted into new common shares issued by the Company.	V	None
	Audit committee resolution result: all present members of the audit committee agreed to pass.		
2022/7/27 Second Term The first time	1. Proposed election of the convener and chairman of the second term of the Audit Committee.		All the members present unanimously elected Ti-Hsiang, Wei as the convener and chairman of the second audit committee
	2. The company's financial statements for the second quarter of 2022.	V	None
	3. Audit supervisor report.	V	None
	4. The proposal on employee stock option were exercised in the second quarter of 2022 and converted into new common shares issued by the Company.	V	None
	5. Bank credit line application.	V	None
	Audit committee resolution result: all present members of the audit committee agreed to pass.		
2022/10/31 Second Term The second time	1. The company's financial statements for the 3rd quarter of 2022.		None
	2. The proposal on employee stock option were exercised in the 3rd quarter of 2022 and converted into new common shares issued by the Company.	V	None
	3. Endorsement guarantee	V	None
	4. Audit supervisor report.	V	None
	5. Renewal of the company's internal control system - R&D cycle content case	V	None
	6. Annual audit plan of 2023.	V	None
	Audit committee resolution result: all present members of the audit committee agreed to pass.		

4.3 Corporate Governance Implementation and its Deviations from “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies”

Evaluation Item	Implementation Status			Deviations and Reasons
	Yes	No	Abstract Illustration	
1、Does the company establish and disclose the Corporate Governance Best-Practice Principles based on Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies?	V		The company has established “Corporate Governance Practical Rules” based on the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies, and has followed laws and regulations to disclose information on the "Market Observation Post System Network" and the company's website to enhance information transparency. To protect the rights and interests of shareholders and stakeholders.	None
2、Shareholding structure & shareholders' rights (1) Does the company establish an internal operating procedure to deal with shareholders' suggestions, doubts, disputes and litigations, and implement based on the procedure?	V		(1) The company has established a spokesperson and proxy spokesperson system to handle related matters in accordance with regulations. In addition, the stock affairs processing department and the public relations department can also handle shareholder suggestions, news media, and investment institutions' answers to all inquiries. If there are litigation matters, the legal department will handle.	None
(2) Does the company possess the list of its major shareholders as well as the ultimate owners of those shares?	V		(2) The company has specialized units and stock affairs units that keep abreast of the shareholding status of major shareholders, directors, and managers, and declare and disclose the quarterly list of shareholders holding more than 5% of the equity on the company's website in accordance with regulations.	
(3) Does the company establish and execute the risk management and firewall system within its conglomerate structure?	V		(3) The control of the company and affiliated companies is based on the "Administrative Measures for Subinvestment Companies", "Internal Control System", "Procedures for Transaction of Specific Companies, Group Companies and Related Persons" and related laws and regulations of the company, its subsidiaries and affiliated companies Regulations can effectively establish risk control.	
(4) Does the company establish internal rules against insiders trading with undisclosed information?	V		(4) The management of the company attaches great importance to integrity management and the design of the internal management system to prevent fraud, and formulates the "internal material information processing operating procedures" to regulate the processing of material information, and frequently publicizes the se-	

Evaluation Item	Implementation Status			Deviations and Reasons
	Yes	No	Abstract Illustration	
			curities transaction law and related regulations to insiders. Insiders' regulated laws and regulations, prohibiting insiders' involvement in insider trading. The company provides relevant education and publicity for new directors, managers and employees when they arrive, and will send relevant laws and regulations information to directors, managers, and employees from time to time. Education and training for current directors and managers the "2022 Insider Trading Prevention Promotion Conference" held by Taiwan Corporate Governance Association on May 20, 2022.	
3、Composition and Responsibilities of the Board of Directors				
(1) Does the board of directors has formulated a diversity policy, specific management target guideline and implement ?	V		(1)The company has established the board of directors in the "Code of Practice for Corporate Governance". According to the industry professional background, work field and practical experience, and pay attention to gender equality, the company should select persons with the necessary knowledge, skills and accomplishments to perform the duties as directors. The overall development and operation are helpful. The company's current board of directors consists of seven directors, of which three are independent directors. The members have rich experience and expertise in finance, management, technology and other fields. In addition, the company pays attention to gender equality among board members, and currently there is one seat for female directors. The members of the board of directors implement the diversity situation, as shown in Table 1 on page 16 for Diversity and independence of directors.	None
(2) Does the company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?	V		(2)At present, the salary and compensation committee and the audit committee are set up in accordance with laws and regulations. In addition, the establishment of corporate governance promotion unit, integrity management promotion unit and corporate social responsibility promotion unit.	None
(3) Does the company formulates the regulations and method for the performance evaluation of the board of directors,conducts evaluation regularly every year, reports the results	V		(3)At present, the remuneration committee regularly evaluates the performance of the board of directors every year and serves as a reference for the remuneration committee to use for the remuneration of individual	

Evaluation Item	Implementation Status			Deviations and Reasons
	Yes	No	Abstract Illustration	
<p>to the board of directors, and takes it as a reference for the remuneration, nomination and re-appointment of each director?</p> <p>(4) Does the company regularly evaluate the independence of CPAs?</p>	V		<p>directors and nominate renewal. The company has formulated the board of director's performance evaluation method and its evaluation method. The 2022 performance evaluation has been completed and submitted to the board of directors on March 9, 2023.</p> <p>(4) The financial center of the company regularly evaluates the independence and suitability of certified accountants with reference to the audit quality indicators (AQIs) once a year. The results were submitted to the audit committee on March 4, 2022 for review and approval by the board of directors on March 8, 2022. (For the accountant's independence assessment form, please refer to Page 54 of this annual report.) According to the results of the certified accountants Shu-Lin Liu and Chin-Chuan Shih in Deloitte & Touche, both meet the company's independence assessment standards, and are qualified to serve as certified public accountants of the company. Deloitte & Touche has issued an independent accountant statement.</p>	
<p>4、Whether TWSE/TPEX listed companies have deployed appropriate numbers of suitable corporate governance personnel, and designated a chief corporate governance officer responsible for cooperate governance affairs (including but not limited to providing provision of information required for performance of duties by the directors and supervisors, assistance to the directors in complying with laws and regulations, handling of matters relating to board of directors meetings and shareholders meetings in compliance with law, and preparation of minutes of board of directors meetings and shareholders meetings)?</p>	V		<p>The company's board of directors approved the establishment of a "corporate governance promotion unit" on May 6, 2020, appointed it to by the financial center. On April 29, 2021, it was approved by the remuneration committee and approved by the board of directors to appoint Bao-Huei Chen, deputy general manager of the Finance Center. The head of corporate governance is responsible for overall planning and execution, providing information required by directors and audit committees to perform business, handling related matters of the board of directors and shareholders meeting in accordance with the law, handling company registration and change registration, and preparing board of directors and shareholders meeting minutes. In 2022, the number of training hours for corporate governance supervisors has reached 24 hours.</p>	None
<p>5、Does the company establish a communication channel and build a designated section on its website for stakeholders (e.g., including but not limited to shareholders, employees,</p>	V		<p>The company's website sets up a special area for interested parties for interested parties to contact the company, including:</p> <p>(1) Shareholder communication: set up a special section for investors on the com-</p>	None

Evaluation Item	Implementation Status			Deviations and Reasons
	Yes	No	Abstract Illustration	
customers and suppliers, etc.), as well as handle all the issues they care for in terms of corporate social responsibilities ?			<p>pany's website, announce annual shareholder meeting information, monthly revenue and financial information, etc., and provide contact information for spokespersons and stock affairs agencies.</p> <p>(2) Employee communication: Through the company's internal electronic platform, company policies and information can be publicly and instantly transmitted, and an anonymous "employee feedback area" has been established to listen to the valuable voices and feedback of employees, so that the company has the opportunity to discover problems and resolve them. In addition, a special line for complaints of workplace violence is set up, and labor-management meetings are held on a regular basis. Representatives of both parties face-to-face to discuss and resolve issues at the meetings, and the labor-employment communication channels are implemented smoothly.</p> <p>(3) Customer communication: The company's website details product information, latest news and customer contact email mkt@via.com.tw. In addition, regular agent meetings are held to exchange operating industry information and related opinions.</p> <p>(4) Supplier communication: With the vision of sustainable development, the relevant standards and issues of the three major aspects of economy, environment and society are integrated into the sustainable management policy of the company's supply chain. Through the supplier's signing of the corporate social responsibility self-declaration, the integrity management agreement, etc., we will work with the supplier to establish a sustainable supply chain.</p> <p>(5) Government and Competent Authority: Participate in seminars, publicity meetings, and briefings organized by the government or competent authority from time to time to update relevant laws and regulations and comply with it, and cooperate with the competent authority for supervision and inspection.</p>	

Evaluation Item	Implementation Status			Deviations and Reasons
	Yes	No	Abstract Illustration	
			(6) Community groups: take the initiative to visit from time to time, participate in social welfare activities, or hold charity sales activities.	
6、Does the company appoint a professional shareholder service agency to deal with shareholder affairs?	V		The company has appointed a professional stock affairs agency-the stock affairs agency department of China Trust Commercial Bank Co., Ltd. to handle the affairs of the shareholders meeting.	None
7、Information Disclosure (1) Does the company have a corporate website to disclose both financial standings and the status of corporate governance?	V		(1) The company has set up a company website (www.via.com.tw) to regularly disclose and update product information, financial services, corporate governance, and human resources and other related information.	None
(2) Does the company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)?	V		(2) The company has dedicated personnel responsible for information collection and disclosure, and in accordance with regulations, disclose relevant information in a timely manner at the public information observatory, and declare various financial and business information. It has also released major messages in English at the public information observatory. The company website also sets up the choice of English language to provide foreign investors with relevant company financial, sales and business information. If there is a legal person briefing, the Chinese and English information will be disclosed on the company website.	
(3) Does the company publish and report its annual financial report within two months after the end of a fiscal year, and publish and report its financial reports for the first, second and third quarters as well as its operating status for each month before the specified deadline?		V	(3) The company cooperates with laws and regulations to facilitate investors to obtain sufficient and correct information. The latest annual financial report has not been announced and reported within two months after the end of the fiscal year, but the quarterly financial reports have been announced after the approval of the board of directors prior to 7 days before the required announcement period.	Announce and complete the declaration within the statutory period.
8、Is there any other important information to facilitate a better understanding of the company's corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations,	V		The company actively promotes corporate governance. The relevant systems and measures adopted and the implementation status are summarized as follows: 1. In terms of employee rights and employee care: The company has always adhered to the business philosophy of	None

Evaluation Item	Implementation Status			Deviations and Reasons
	Yes	No	Abstract Illustration	
rights of stakeholders, directors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors)?			<p>"Labor and Management, Harmony between Labor and Management", and in accordance with relevant laws and regulations and the purpose of sharing feedback to employees, we plan and implement various benefits, training and development plans and Retirement system and pension funds are allocated on time, so for several years, employees have a harmonious labor-management relationship under a perfect welfare system, a smooth complaint channel, and a work environment that is motivated and developed.</p> <p>2. Investor relations, supplier relations, and the rights of interested parties: transparent company information, timely and fair disclosure of various financial business information according to laws and regulations, and set up contact windows and e-mails to provide investors, suppliers and interested parties Message and feedback channels. In order to protect the rights and interests of domestic and foreign investors at the same time, the company's website has also set up a corporate governance area in Chinese and English to provide investors with diverse information.</p> <p>3. Directors and supervisors' training status: Directors, supervisors and managers have a good training situation. The training status of the training courses in 2022 is detailed in the attached (table 1).</p> <p>4. Implementation of risk management policies and risk measurement standards: The company has established a complete internal control system, risk management practices, management charter, accounting system, etc. in accordance with relevant laws and regulations, and promoted and implemented the implementation of various policies and hierarchical authorization. The internal audit, the board of directors, and the audit committee supervise checks and balances to reduce and avoid any risks that endanger the company's interests and maintain safety.</p> <p>5. Implementation of customer policies: conduct appropriate risk assessments for customers and suppliers to reduce credit risk, maintain open communication channels with customers, and</p>	

Evaluation Item	Implementation Status			Deviations and Reasons
	Yes	No	Abstract Illustration	
			<p>strictly abide by contracts signed with customers and related regulations to ensure the rights and interests of both parties.</p> <p>6. Circumstances in which the company purchases liability insurance for directors: The company's directors and managers' liability insurance has been renewed on June 1, 2022, with an insured amount of US\$10,000,000, and the insurance policy was reported to the board of directors on June 17, 2022. The insurance will be renewed on June 1, 2023.</p> <p>7. Information release and implementation of the company's board of directors and important management: a. The company provides relevant regulatory information that directors need to pay attention to at any time, and the company's management team also regularly provides directors with business and other related briefings. b. The directors attended the board of directors in good condition. C. The company reported to the board of directors on the results of intellectual property management on March 9, 2023. In 2022, there are 31 invention patents, 12 new patents, and 1 design patents, totaling 44 patents.</p>	
<p>9、Please explain the evaluation results issued by the Corporate Governance Center of the Taiwan Stock Exchange Co., Ltd. in the most recent year: The company's 2022 corporate governance appraisal results in the ranking of listed companies ranges from 36% to 50%.</p>				

<Table 1> Status of the Continuing Education of Directors and Managers in 2022

1. Director

Title	Name	Date of Training		Hours	Host Organization	Course
		From	To			
Chairman	Wenchi Chen	2022/5/20	2022/5/20	3	Securities & Futures Institute	2022 Insider Trading Prevention Promotion
Chairman	Wenchi Chen	2022/11/22	2022/11/22	3	Securities & Futures Institute	Global economic and technological development trends
Director	Cher Wang	2022/11/22	2022/11/22	3	Securities & Futures Institute	Global economic and technological development trends
Director	Cher Wang	2022/11/23	2022/11/23	3	Taiwan Corporate Governance Association	The ESG challenge : Let's meet the new world of Net-zero
Director	Cher Wang	2022/11/23	2022/11/23	3	Taiwan Corporate Governance Association	Corporate governance in coping with the changes of the international order
Director	Tzumu Lin	2022/10/19	2022/10/19	3	Taiwan Corporate Governance Association	2022 Corporate Governance Summit XVIII-Improve the functions of directors and implement the company's sustainable management
Director	Tzumu Lin	2022/11/23	2022/11/23	3	Securities & Futures Institute	The trends and up-to-date Development of Carbon Border Tax (CBT)
Director	Qun-Mao Liu	2022/5/20	2022/5/20	3	Securities & Futures Institute	2022 Prevention of Insider Trading Promotion
Director	Qun-Mao Liu	2022/11/14	2022/11/14	3	Taiwan Stock Exchange Corporation	2022 Cathay Sustainable Finance and Climate Change Summit
Director	Ti-Hsiang Wei	2022/5/20	2022/5/20	3	Securities & Futures Institute	2022 Prevention of Insider Trading Promotion
Director	Ti-Hsiang Wei	2022/10/11	2022/10/11	3	Taiwan Stock Exchange Corporation	Release of Reference Guidelines on the Exercise of Powers and Functions by Independent Directors and the Audit Committee and Director and Supervisor Briefing
Director	Wei-Teh Hsu	2022/5/20	2022/5/20	3	Securities & Futures Institute	2022 Prevention of Insider Trading Promotion
Director	Wei-Teh Hsu	2022/10/11	2022/10/11	3	Taiwan Stock Exchange Corporation	Release of Reference Guidelines on the Exercise of Powers and Functions by Independent Directors and the Audit Committee and Director and Supervisor Briefing
Director	Wen-Yuen Ken	2022/7/29	2022/7/29	3	Taiwan Institute for Sustainable Energy	CSR training program for directors and supervisors - Challenges and Opportunities for Enterprises in the Net Zero Era
Director	Wen-Yuen Ken	2022/10/14	2022/10/14	3	Securities & Futures Institute	2022 Prevention of Insider Trading Promotion

2. Corporate Governance Supervisor

Title	Name	Date of Training		Hours	Host Organization	Course
		From	To			
Vice President	Bao-Huei Chen	2022/6/10	2022/6/10	3	Securities & Futures Institute	2022 Prevention of Insider Trading Promotion
Vice President	Bao-Huei Chen	2022/7/15	2022/7/15	3	Taiwan Corporate Governance Association	Crisis Response in the Face of False Reporting
Vice President	Bao-Huei Chen	2022/9/23	2022/9/23	3	Taiwan Corporate Governance Association	Virtual World: The Metaverse and the Future of Cryptocurrency with Blockchains
Vice President	Bao-Huei Chen	2022/9/27	2022/9/27	3	Accounting Research and Development Foundation	Preparation of TCFD Report: Main Reference Points

3. Corporate Accounting Supervisor

Title	Name	Date of Training		Hours	Host Organization	Course
		From	To			
Vice President	Bao-Huei Chen	2022/8/15	2022/8/15	3	Accounting Research And Development Foundation	Concept Lecture : ISSB S1 General Requirements for Disclosure of Sustainability-related Financial Information
Vice President	Bao-Huei Chen	2022/8/16	2022/8/16	3	Accounting Research And Development Foundation	Concept Lecture : ISSB S2 Climate-related Disclosures
Vice President	Bao-Huei Chen	2022/8/19	2022/8/19	3	Accounting Research And Development Foundation	Tax Regulations and Practices for Controlled Foreign Company(CFC)
Vice President	Bao-Huei Chen	2022/8/22	2022/8/22	3	Accounting Research And Development Foundation	ISSB S2 Industry Introduction (Part 1): Consumer Goods, Extractives & Minerals Processing, Financials, Technology & Communications, Resource Transformation Conversion

4.4 Composition, Responsibility and Operations of Compensation Committee

1. On June 17, 2022, the board of directors of the company appointed independent director Wei-Teh, independent director Ti-Hsiang Wei, independent director Wen-Yuen Ken, Chong-Zen Hsieh and Mao-Song Chang as the fifth remuneration committee members, and independent director Wei-Teh Hsu was elected as the convener by the remuneration committee.
2. The function of this committee is to evaluate the remuneration policies and systems of the directors, supervisors and managers of the company with a professional and objective status, and to make recommendations to the board of directors for its decision-making reference.
3. Information of Salary and Compensation Committee Members

To enhance corporate governance and to establish a comprehensive remuneration system for the directors and managerial officers, VIA has established a remuneration committee on February 10, 2012. The professional qualification and independence criteria of Remuneration Committee's members are below:

Name	Criteria	Professional qualification and experience	Independence Criteria (Note)	Number of Other Public Companies in Which the member of the compensation committee is Concurrently Serving as an Independent Director
Independent Director (convener)	Wei-Teh Hsu	Please refer to page 15 for information on directors (2.1)	Meets (1) ~ (4) Independence	0
Independent Director	Ti-Hsiang Wei	Please refer to page 15 for information on directors (2.1)	Meets (1) ~ (4) Independence	0
Independent Director	Wen-Yuen Ken	Please refer to page 15 for information on directors (2.1)	Meets (1) ~ (4) Independence	0
Other	Chong-Zen Hsieh	Age: 69 Major: Bachelor of Industrial Engineering Experiences: – Business Director, IBM OEM Division – Founder, Polaris Electronis – President, Golden Bridge Electech Inc. – Director, Golden Bridge Electech Inc. – Special Assistant to President, VIA Technologies, Inc. – President, VIA Optical Solution – President, Medical Instrument Technology CO., Ltd. – Founder and President, Countenance Biotech Inc.	Meets (1) ~ (4) Independence	0
Other	Mao-Song Chang	Age: 75 Major: Department of Accounting, Feng Chia University Experiences: Management of non-profit organizations: Evangelical Covenant Church in Xindian Church for more than 40 years.	Meets (1) ~ (4) Independence	1

Note : Please refer to Note 1 on page 16.

4. Attendance of Members at Remuneration Committee Meetings

- (1) There are five members in the Remuneration Committee.
- (2) The tenure of the 5th Remuneration Committee is from June 17, 2022 to June 16, 2025.
- (3) A total of 2 meetings of the Remuneration Committee were held in 2022.

The attendance record of the Remuneration Committee members was as follows:

Tile	Name	Attendance in Person	Attendance by Proxy	Attendance Rate in Person (%)	Note
Convener	Wei-Teh Hsu	2	0	100%	None
Member	Ti-Hsiang Wei	2	0	100%	None
Member	Wen-Yuen Ken	2	0	100%	None
Member	Chong-Zen Hsieh	1	0	50%	None
Member	Mao-Song Chang	2	0	100%	None

Other matters required to be noted :

1. The duty of the Company's remuneration committee is to professionally and objectively evaluate the remuneration policy and system for the Company's directors and managerial officers, and make recommendations to the board of directors, to be used as reference for their decision making. The scope of duties include regular review of the Company's Remuneration Committee Charter and propose amendment recommendations, establish and conduct review on performance evaluation standards of the Company's directors, supervisors and managerial officers, set annual and long-term performance targets, establish remuneration policies, system, standard and structure, regularly evaluate the performance target achievement of the Company's directors, supervisors and managerial, and set the individual's remuneration content and quantity based on the results from the performance evaluation standards.
2. If the board of directors chooses not to adopt or revise the recommendations proposed by the remuneration committee, the date of the board meeting, session, contents discussed, results of board resolutions, and how the Company handle the opinions of the remuneration committee shall be described in detail: None.
3. Where resolutions of the remuneration committee include dissenting or qualified opinion which is on record or stated in a written statement, the date of remuneration committee meeting, session, contents discussed, opinions from every member, and how the members' opinions are handled, shall be described in detail: None.
4. Resolutions of the Remuneration Committee in 2022 are shown as follows:

Meeting	Proposal and Result	Resolution	Any Independent Director Had a Dissenting Opinion or Qualified Opinion
The 9 th meeting of the 4 th Committee March 2, 2022	1. Directors' and key managers' remuneration for 2021. 2. Review the directors' remuneration for 2022. 3. Review key managers' 2022 salary.	Approved by all attending members of the committee	Approved by all attending directors in the board of director meetings
The 1 th meeting of the 5 th Committee October 31, 2022	1. Elect the Convener and Chairperson of the 5th Remuneration Committee. 2. Review the performance of the key managers in 2022. 3. Review the key managers' remuneration in 2022. 4. The Committee meeting agenda for 2023.	Approved by all attending members of the committee	Approved by all attending directors in the board of director meetings

4.5 Implementation of the promotion of sustainable development and Deviations from “Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies”

Evaluation Item	Implementation Status			Deviations and Reasons
	Yes	No	Abstract Explanation	
1. Does the company establish a governance structure to promote sustainable development, and set up a (part-time) unit to promote sustainable development, which is authorized by the board of directors to handle senior management, and the board of directors supervises the situation?	V		The company passed the resolution of the board of directors on 2020.03.20 to formulate a corporate social responsibility code of practice, and set up a corporate social responsibility promotion unit to be concurrently assumed by the general manager's office. The appropriateness of policies, systems and management guidelines will be reviewed regularly every year. In line with the "Code of Practice for Corporate Social Responsibility of Listed OTC Companies", the name was changed to "Code of Practice for Sustainable Development of Listed OTC Companies", and it was reported to the Board of Directors on November 11, 2022 to expand the concept that enterprises should attach importance to corporate social responsibility to enterprises. Should pay attention to sustainable development. The company originally set up a corporate social responsibility promotion unit and changed its name to the Sustainable Development Committee. Chairman Chen Wenqi served as the chairman of the committee, and Chen Baohui, the director of corporate governance, was appointed as the deputy general	None

Evaluation Item	Implementation Status			Deviations and Reasons
	Yes	No	Abstract Explanation	
			manager, the directors of the relevant responsible units are members to promote the work related to sustainable development. The 2022 implementation will be reported to the Board of Directors on March 9, 2023. At present, we are still committed to the implementation of corporate social responsibility.	
2. Does the company conduct risk assessments on environmental, social, the human right and corporate governance issues related to company operations in accordance with the principle of materiality, and formulate relevant risk management policies or strategies?	V		The company has conducted risk assessments on environmental, social and corporate governance issues related to company operations in accordance with the principle of materiality, and formulated "risk management measures". Please refer to page 94 for the "Human Rights Policies" chapter of the company's Sustainable Development.	None
3. Issues of Environment				
(1) Does the company establish proper environmental management systems based on the characteristics of their industries?	V		(1) In the promotion of industrial safety and environmental protection, the company is committed to complying with domestic environmental safety and health related laws and regulations, and is also in line with international standards, implementing ISO 9001 quality management system and IECQ QC080000 hazardous substance management system and obtaining certification. Since the company is not a manufacturing company, ISO 14001 is not applicable. However, in order to comply with relevant environmental laws and customer requirements, it continues to improve its environmental management system.	None
(2) Does the company commit to improving the efficiency of various energy use and using recycled materials with low impact on the environment?	V		(2) The company upholds the concept of saving energy and natural resources, is committed to source improvement, and promotes waste resource classification and reduction activities to achieve the reduction of raw materials and waste, so as to reduce the impact on the environment.	
(3) Does the company assess the current and future potential risks and opportunities of climate change to the company, and adopt measures to respond to climate-related issues?	V		(3) The company is committed to responding to the current global energy-saving and carbon-reduction trend of environmental protection, in order to fulfill the responsibility of the global citizens to protect the environment. Such as the control of the opening time of the air conditioner and the temperature control, turning off the lights at hand, and the full use of energy-saving lamps... etc.	
(4) Does the company count greenhouse gas emissions, water consumption and total weight of waste in the past two years, and formulate policies on energy saving and carbon reduction, reduction of greenhouse gas and water consumption or other waste management?	V		(4) The company has permanent industrial safety and environmental protection personnel responsible for the promotion and implementation of environmental protection, safety and health-related businesses, and has a "Class A Occupational Safety and Health Business Supervisor" who is responsible for drafting and making decisions on the	

Evaluation Item	Implementation Status			Deviations and Reasons
	Yes	No	Abstract Explanation	
			<p>company's overall environmental safety and health strategies and proposals.</p> <p>(4-1). The company's indirect emissions are mainly indirect greenhouse gas emissions generated by purchased electricity. Includes electricity for equipment, offices and common areas.</p> <p>(4-2). For the Company's greenhouse emissions, water consumption and total weight of waste in the past two years, as well as related policies such as energy conservation and carbon reduction, greenhouse gas reduction, water reduction or other waste management, please refer to the Sustainable Development "Environmental Protection" section and information on the Company's official website. Please refer to page 95~98 for instructions.</p>	
<p>4. Issues of Social</p> <p>(1) Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?</p>	V		<p>(1) The company has the primary core value of integrity , and we're committed to creating a working environment that respects human rights, dignity, and harmonious labor and management, and supports and respects international labor human rights norms, including the Universal Declaration of Human Rights and the United Nations Guiding Principles on Business and Human Rights , "International Labor Organization-Declaration on Fundamental Principles and Rights at Work" , "United Nations Global Compact" , etc. Strictly abide by the labor-related laws and regulations of the company's global bases, treat and respect all regular employees, contract and temporary personnel with dignity, and implement the company's human rights policy plan, and review the effectiveness of human rights management regularly, evaluate human rights-related systems and optimize management operations.</p>	None
<p>(2) Does the company formulate and implement reasonable employee welfare measures (including salary, leave and other benefits, etc.), and appropriately reflect the operating performance or results on the compensation of employee?</p>	V		<p>(2) The company regularly measures market salary levels and formulates reasonable salary and remuneration policies based on overall economic indicators to ensure overall salary competitiveness; and formulates reasonable employee welfare measures. According to the company's articles of association, if the company makes a profit each year, it should allocate no less than 5% as employee compensation, linking the company's operating performance with employee rewards. In addition, through a regular performance appraisal mechanism, a two-way communication and interaction platform is provided to achieve organizational and personal development, and corresponding rewards are given based on performance results to encourage employees and the company to grow together.</p>	

Evaluation Item	Implementation Status			Deviations and Reasons
	Yes	No	Abstract Explanation	
(3) Does the company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	V		(3) The company provides and maintains a safe and healthy workplace. At least once a year, it regularly implements various labor working environment measurement and environmental improvement to prevent occupational disasters and diseases. The company's office has set up automatic external cardiac defibrillator AED and trained each District first aid personnel, for first aid. Attach importance to the harmonious relationship between enterprises and labor, establish an employee welfare committee, implement a pension system, handle various employee training courses and employee group insurance. The company has set up a dedicated "workplace promotion room" with professional and qualified psychological counselors responsible for employee psychological counseling and arranging regular health checks, influenza prevention and epidemic prevention measures, and other matters that care about employees. Once a month, we hire external professional physicians to provide on-site services to provide employees with workplace health consulting services. And the company has set up a complete employee fitness center for employees to use. The company promises to strengthen and promote the safety and health of employees, and implement safety management in the work environment. In order to prevent the occurrence of major abnormal accidents, in addition to safety and health education and training for new employees, it also regularly conducts fire extinguishers and fire hydrant boxes for all employees. Equipment use training and evacuation drills to ensure the safety of employees.	
(4) Does the company follow relevant laws and international standards, and formulate relevant policies and complaint procedures for the protection of consumer or customer rights and interests regarding issues such as customer health and safety, customer privacy, marketing and labelling of products and services?	V		(4) The Company's marketing and labeling of products and services are in compliance with relevant laws and regulations and international standards, and there must be no deception, misleading, fraud or any other behavior that undermines consumer trust and harms consumer rights and interests. The Company's website provides main products information that can be inquired or downloaded, including image toolkits, video files, presentation files, white papers, product introductions, and others. There is a "drive and application" area to provide consumers with various needs and Q&A services. Consumers can also click "email page" as a channel to communicate with the company.	
(5) Does the company formulate a supplier management policy which requires suppliers to comply with	V		(5) The Company has strict internal evaluation and investigation procedures for	

Evaluation Item	Implementation Status			Deviations and Reasons
	Yes	No	Abstract Explanation	
the relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and how their implementation is?			its suppliers. Except for records that affect the environment and society as important inspection items, all products provided must comply with laws and environmental protection standards. The Company adopts international-level foundries and high-end manufacturing processes, conforms to ISO, RoHS international certification and EU regulations, and does not cause pollution. At the product level, it also vigorously promotes energy-saving and noise-free platforms, and is the world's most energy-saving x86 platform provide. The contract between the Company and the supplier requires the supplier to fulfill social responsibilities and comply with environmental regulations.	
5. Does the company refer to the internationally accepted reporting standards or guidelines to prepare reports that disclose non-financial information of the company, prepared sustainability reports? Does the previous disclosure report obtain the assurance or assurance opinion of the third-party verification unit?	V		The company is about to start compiling the sustainability report in 2023.	None
6. If the Company has established the corporate social responsibility principles based on “the Sustainable Development Code of Practice for TWSE/TPEX Listed Companies”, please describe any discrepancy between the principles and their implementation: The company has established the "Code of Practice for Sustainable Development of Listed OTC Companies", and the operation situation is no different from this code.				
7. Other important information helpful to understand the implementation of sustainable development: Please refer to the description of the "Part 6, Sustainable Development " project.				

4.6 The state of the Company's performance of ethical corporate management and Deviations from "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies".

Evaluation Item	Implementation Status			Deviations And Reasons
	Yes	No	Abstract Illustration	
<p>1、Establishment of ethical corporate management policies and programs</p> <p>(1) Does the company formulate a policy of ethical corporate management approved by the board of directors, and declare its ethical corporate management policies and procedures in its guidelines and external documents, as well as the commitment from its board and senior management to implement the policies?</p> <p>(2) Does the company establish a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis business activities within their business scope which are at a higher risk of being involved in unethical conduct, and establish prevention programs accordingly, which shall at least include preventive measures stated in Article 2, Paragraph 7 of the Ethical Corporate Management Best-Practice principles for TWSE/TPEX Listed Companies?</p> <p>(3) Does the company establish policies to prevent unethical conduct with clear statements regarding relevant procedures, guidelines of conduct, punishment for violation, rules of appeal, and the commitment to implement the policies as well as review and revise the aforementioned policies regularly?</p>	V		<p>(1) On March 20, 2020, the board of directors of the company formulated the "Ethical Corporate Management Best Practice Principles" and "Procedure for Ethical Management and Guidelines for Conduct", emphasizing that the core values of the company are integrity, innovation, discipline, positivity, customer trust, and innovation and Caring to promote the connection of the world as a mission.</p> <p>(2) According to the company's " Procedure for Ethical Management and Guidelines for Conduct ", the responsible unit is the general manager's office, assisting the management in checking and evaluating the implementation of preventive measures for honest operation, and regularly assessing related business processes.</p> <p>(3) The company has established the " Procedure for Ethical Management and Guidelines for Conduct"、" Whistleblower System" and the "Report System". All directors, managers and employees involved in violation of the company's "Ethical Corporate Management Best Practice Principles " and other illegal activities can be reported.</p>	None
<p>2、Fulfill operations integrity policy</p> <p>(1) Does the company evaluate business partners' ethical records and include ethics-related clauses in business contracts?</p> <p>(2) Does the company establish an exclusively dedicated unit supervised by the Board to be in charge of corporate integrity, and regularly (at least once a year) report to the board of directors about the programs, supervision and execution situations for the ethical corporate management policies and the prevention against unethical conducts?</p>	V		<p>(1) All contracts or documents of the company's business activities will be based on the principle of proportionality to stipulate the terms of good faith behavior.</p> <p>(2) The company has set up an " Ethics and Integrity Promotion Unit " and appointed the general manager's office concurrently. The company organizes training courses related to integrity management. The content of the courses covers professional ethics and conduct, intellectual power information management, prevention of insider transactions, prevention of business secret infringement, internal and customer communication compliance policies, etc.</p>	None

Evaluation Item	Implementation Status			Deviations And Reasons
	Yes	No	Abstract Illustration	
<p>(3) Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?</p> <p>(4) Has the company established effective systems for both accounting and internal control to facilitate ethical corporate management and has its internal audit unit developed relevant audit programs according to the assessment results for the risks of unethical conducts as well as reviewed compliance to prevention against unethical behaviors or entrusted accountants to conduct the review?</p> <p>(5) Does the company regularly hold internal and external educational trainings on operational integrity?</p>	V		<p>Review the implementation of the integrity management policy at least once a year, and make a report and submit it to the board of directors. The promotion of honest management in 2022 Submit the first report of the board of directors in 2023, the board date is March 9, 2023.</p> <p>(3) The management of the company attaches great importance to the internal auditing unit and personnel to give full authority to urge them to check and evaluate the deficiencies of the internal control system and measure the efficiency of operations, and provide a channel for employees or manufacturers to make statements; the company provides directors and managers with attention at any time Legal information on avoidance of insider interests.</p> <p>(4) The internal auditors regularly check in accordance with the annual audit audit plan and prepare audit reports, which are submitted to the audit committee for review and submitted to the board of directors.</p> <p>(5) The education and training of new employees of the company must be incorporated into the promotion of the company's core values, emphasizing the company policy based on integrity. At least once a year to implement all employees' integrity management code publicity and education courses, and also encourage employees to participate in external related education and training courses.</p>	
<p>3、Operation of the integrity channel</p> <p>(1) Does the company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up?</p> <p>(2) Does the company establish standard operating procedures for confidential reporting on investigating accusation cases and follow-up measures to be</p>	V		<p>(1) The company has established a " Whistleblower System " and announced it on the company's website. The audit office is the unit responsible for the reporting of complaints, which is a channel for complaints. It not only accepts complaints from employees, but also accepts feedback or complaints from external manufacturers or customers.</p> <p>(2) The company's investigation of the reported matters is based on the principles of confidentiality and fairness.</p>	None

Evaluation Item	Implementation Status			Deviations And Reasons
	Yes	No	Abstract Illustration	
taken after the investigation is completed? (3) Does the company provide proper whistleblower protection?	V		Reporting mailbox: Director of VIA Electronics Audit Office, No. 531, Zhongzheng Road, Xindian District, New Taipei City. Telephone report: (886)-2-2218-5452, Director of Audit Office Email : ethics.reporting@via.com.tw There is currently no violation of integrity or illegality. (3) The identity of the whistleblower is protected as the principle, and the whistleblower will not be improperly dealt with.	
4、Strengthening information disclosure Does the company disclose its ethical corporate management policies and the results of its implementation on the company's website and MOPS?	V		The company's website has established corporate financial, business-related information and corporate governance information for the reference of shareholders and stakeholders. The company's implementation of the standards of integrity management is disclosed on the company's website and annual report, and the contents of the "Code of Integrity Management" and the "Guidelines for Integrity Operation Procedures and Behaviors" are disclosed on the company website.	None
5、If the company has established the ethical corporate management policies based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPE Listed Companies, please describe any discrepancy between the policies and their implementation : The company passed the resolution of the board of directors on 2020.03.20 to formulate the "Code of Integrity Management" and "Operational Procedures and Behavior Guidelines for Integrity Management", and their operation is consistent with the spirit and principles specified in the "Code of Integrity Management for Listed OTC Companies".				
6、Other important information to facilitate a better understanding of the company's ethical corporate management policies (e.g., review and amend its policies): None.				

4.7 Corporate Governance Guidelines and Regulations

The company's website has an Investor Relations- corporate governance, providing inquiries and downloads of relevant regulations, including Corporate governance principals and regulations, Internal major information processing procedures, Ethical Corporate Management Practice Principles, Ethical Corporate Management Operating Procedures and Conduct Guide, Code of Ethics, Code of Practice for Sustainable Development, etc, and relevant regulations on corporate governance of the Company can be found at the official website is <https://www.viatech.com/tw/about-tw/investor-relations/corporate-governance>.

4.8 Other important information to facilitate better understanding of the company's corporate governance:
None.

4.9 Internal control system execution

4.9.1 Internal control statement

VIA Technologies, Inc.
Statement of Internal Control System

Date : March 09, 2023

Based on the findings of a self-assessment, VIA Technologies, Inc. (VIA) states the following with regard to its internal control system during the year 2022:

1. VIA's board of directors and management are responsible for establishing, implementing, and maintaining an adequate internal control system. Our internal control is a process designed to provide reasonable assurance over the effectiveness and efficiency of our operations (including profitability, performance and safeguarding of assets), reliability, timeliness, transparency of our reporting, and compliance with applicable rulings, laws and regulations.
2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing its stated objectives. Moreover, the effectiveness of an internal control system may be subject to changes due to extenuating circumstances beyond our control. Nevertheless, our internal control system contains self-monitoring mechanisms, and VIA takes immediate remedial actions in response to any identified deficiencies.
3. VIA evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (herein below, the "Regulations"). The criteria adopted by the Regulations identify five key components of managerial internal control: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communication, and (5) monitoring activities.
4. VIA has evaluated the design and operating effectiveness of its internal control system according to the aforesaid Regulations.
5. Based on the findings of such evaluation, VIA believes that, on December 31, 2022, it has maintained, in all material respects, an effective internal control system (that includes the supervision and management of our subsidiaries), to provide reasonable assurance over our operational effectiveness and efficiency, reliability, timeliness, transparency of reporting, and compliance with applicable rulings, laws and regulations.
6. This Statement is an integral part of VIA's annual report for the year 2022 and prospectus, and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Law.
7. This Statement was passed by the board of directors in their meeting held on March 09, 2023, with none of the 7 attending directors expressing dissenting opinions, and the remainder all affirming the content of this Statement.

VIA Technologies, Inc.
Chairman : Wenchi Chen
President Officer : Wenchi Chen

4.9.2 Accountant is entrusted to inspect the internal control system shall disclose the inspection reports of the accountant: None.

4.10 In the most recent year and as of the publication date of the annual report, the company and its internal personnel have been punished in accordance with the law, or the company has imposed penalties on its internal personnel for violations of the internal control system, and the results of the penalties may have a significant impact on shareholders' rights and securities prices, it should be specified Its punishment content, main deficiencies and improvement situation: None.

4.11 For the last date of the annual report printing of the closest year, there were important resolutions of the shareholders and board of directors.

1. The important resolutions of the general shareholder meeting held on June 17, 2022 :

1.1 Matters for Ratification

(1) Adoption of Fiscal 2021 Business Report and Financial Statements.

Execution: Relevant registers shall submit to the competent authority for reference and announcement in accordance with relevant regulations.

(2) Adoption of Fiscal 2021 Retained Earnings Distribution.

Execution: Cash dividend of NTD 1.0 per share, and cash dividend was paid on May 6, 2022.

1.2 Matters for Discussion

(1) Amendment of the Company's Articles of Incorporation.

Execution: On July 8, 2022, it was approved by the Ministry of Economic Affairs for registration of changes and announced on the Company's website

(2) Amendment of the Procedures for Acquisition or Disposal of Assets.

Execution: It was approved, and it has been completed in accordance with the resolution of the shareholders' meeting.

(3) Amendment of the Rules of Procedure for the Shareholders' Meeting

Execution: It was approved, and it has been completed in accordance with the resolution of the shareholders' meeting.

1.3 Matters for Election

(1) Full reelection of directors (including independent directors)

Result: The elected directors are as follows. The term of office is from June 17, 2022 to June 16, 2025.

Number	Title	Name
1	Director	Wenchi Chen
2	Director	Cher Wang
3	Director	Tzumu Lin
4	Director	Qun-Mao Liu
5	Independent Director	Ti-Hsiang Wei
6	Independent Director	Wei-Teh Hsu
7	Independent Director	Wen- Yuen, Ken

1.4 Other motions

(1) The case of lifting the non-competition restriction of the new director.

Execution: Approval of non-compete for the new director.

2. The important resolutions of the Board of Directors: A total of 7 board meetings in 2022 and up to the publication date of the annual report, the main items passed are as follows,

Date	Major resolutions
2022/3/8	<ol style="list-style-type: none"> 1. Approved the company's 2021 annual business report and financial statement. 2. Approved 2021 Compensation Distribution for Employees and Directors. 3. Approved Fiscal 2021 Retained Earnings Distribution. 4. Approved Fiscal 2021 Cash dividend distribution. 5. Approved 2021 internal control system statement. 6. Approved 2022 operating budget plan. 7. Approved the 2021 Q4 manager personnel change and 2022 managers salary adjustment plan. 8. Approved 2022 directors' remuneration plan. 9. Approved the amendment to the Articles of Incorporation. 10. Approved the amendment to Procedures for Acquisition or Disposal of Assets. 11. Approved 2022 accountant independence assessment, appointment and remuneration proposal. 12. Approved the proposal on employee stock option were exercised in the fourth quarter of 2021 and converted into new common shares issued by the Company. 13. Approved the bank credit facility application. 14. Approved the election of directors (including independent directors) 15. Approved the Company accepts nominations for directors (including independent directors) candidates, the number of places to be elected and the place where they are accepted. 16. Approved the matters of convening 2022 Annual General Shareholders' Meeting.
2022/4/28	<ol style="list-style-type: none"> 1. Approved 2022 Q1 Financial Statements. 2. Approved the list of candidates for directors (including independent directors) nominated by the board of directors. 3. Approved the proposal to release the newly-elected directors from non-competition restrictions. 4. Approved the amendment to the Rules and Procedures of Shareholders' Meeting. 5. Approved the proposal on employee stock option were exercised in the first quarter of 2022 and converted into new common shares issued by the Company.
2022/6/17	<ol style="list-style-type: none"> 1. Election of Chairman of the Board. 2. Proposed Appointment of Members of the Fifth Salary and Remuneration Committee.
2022/7/29	<ol style="list-style-type: none"> 1. Approved 2022 Q2 Financial Statements. 2. Approved the proposal on employee stock option were exercised in the 2nd quarter of 2022 and converted into new common shares issued by the Company. 3. Approved the bank credit facility application.
2022/11/1	<ol style="list-style-type: none"> 1. Approved 2022 Q3 Financial Statements. 2. Approved the proposal on employee stock option were exercised in the 3rd quarter of 2022 and converted into new common shares issued by the Company. 3. Approved Endorsement guarantee amount. 4. Proposal to amend the Company's "Corporate Social Responsibility Code of Practice". 5. Proposal to amend the Company's "Internal Material Information Processing Procedures". 6. Proposal to amend the Company's "Board of Directors' Rules of Procedure". 7. Approved 2022 Manager Personnel Change. 8. Approved 2022 Manager's Performance Evaluation Results and Salary Status. 9. Renewal of the company's internal control system - R&D cycle content. 10. Draft the company's 2023 annual audit plan.
2023/3/9	<ol style="list-style-type: none"> 1. Approved the company's 2022 annual business report and financial statement. 2. Approved 2023 operating budget plan. 3. Approved 2022 internal control system statement. 4. Approved the amendment to the Articles of Incorporation. 5. Approved the 2023 Q1 manager personnel change and 2023 managers salary adjustment plan. 6. Approved 2023 directors' remuneration plan. 7. Approved 2023 replacement of accountant, accountant independence assessment, appointment and remuneration proposal. 8. Approved the proposal on employee stock option were exercised in the 4th quarter of 2022 and converted into new common shares issued by the Company. 9. Approved the bank credit facility application. 10. Approved the endorsement guarantee amount. 11. Supplementary election of two independent directors. 12. Approved the proposal to release the newly-elected directors from non-competition restrictions. 13. Formulate the convening, date, time, venue, agenda, and acceptance of shareholder proposals and nominations for the 2023 general meeting of shareholders, etc. relate matters.
2023/5/5	<ol style="list-style-type: none"> 1. Approved 2023 Q1 Financial Statements. 2. Approved Fiscal 2022 Retained Earnings Distribution. 3. Approved Fiscal 2022 Cash dividend distribution. 4. Nomination of Independent Director Candidates. 5. Approved the amendment to the Annual Remuneration of Independent Directors. 6. Approved the proposal on employee stock option were exercised in the first quarter of 2023 and converted into new common shares issued by the Company.

4.12 Major Issues of Record or Written Statements Made by Any Director or Supervisor Dissenting to

Important Resolutions Passed by the Board of Directors: None.

4.13 Resignation or Dismissal of the Company's Key Individuals, Including the Chairman, CEO, and Heads of Accounting, Finance, Corporate Governance, Internal Audit and R&D: None.

5、Information on CPA professional fees

5.1 When the company changes its accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year, the amounts of the audit fees before and after the change and the reasons shall be disclosed.: No change CPA Firm.

5.2 When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 10 percent or more, the reduction in the amount of audit fees, reduction percentage, and reason(s) therefore shall be disclosed.: None.

CPA professional fee range

Unit : NT\$ thousand

CPA Firm	CPA's Name	CPA Audit Period	Audit Fee	Non-audit Fee	Total	Remark
Deloitte & Touche	Shu-Lin Liu	2022/1/1-12/31	4,530	1,684	6,214	None
	Chin-Chuan Shih	2022/1/1-12/31				

Note : Non-audit fees include tax compliance audit NT\$420 thousand, transfer pricing NT\$450 thousand, change registration NT\$215 thousand, english report NT\$200 thousand, tax consulting service fee NT\$309 thousand, and type printing fee NT\$90 thousand.

6、Information on replacement of certified public accountant

If the Company has changed accountants in the last two years and beyond, it shall disclose matters relating to former accountants and successor accountants.: Since the first quarter of 2023, due to the internal adjustment of the accounting firm, the certified accountants Shu-Lin Liu and Chin-Chuan Shih will be replaced by Pan-Fa Wang and Chin-Chuan Shih.

6.1 The former accountant

Exchange date	2023.3.09 (Board resolution date)		
Reason for replacement and description	Due to the need for internal adjustments of Deloitte & Touche Accounting Firm, starting from the first quarter of 2023, the former accountants Shu-Lin Liu and Chin-Chuan Shih have been replaced by accountants Pan-Fa Wang and Chin-Chuan Shih.		
Explain that the appointing person or accountant terminated or did not accept the appointment	Party		Appointed person
	Situation	Accountants	
	Voluntary termination of appointment	Not applicable	Not applicable
	No longer accept (continue) appointment	Not applicable	Not applicable
Opinions and reasons for the inspection report other than unqualified opinions issued within the latest two years	None		
Disagreement with the issuer	Yes		Accounting principles or practices
			Disclosure of financial reports
			Check scope or steps
			Others
	No	V	
	Description		

Other disclosures (Those that should be disclosed in Article 10, Paragraph 6, Item 4~ Item 7 of this Code)	None
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6.2 The successor accountant

Firm name	Deloitte & Touche Accounting Firm
Accountant name	Pan-Fa Wang and Chin-Chuan Shih
Date of appointed	2023.3.09 (Board resolution date)
Before appointment, the accounting treatment methods or accounting principles of specific transactions and the possible issuance of financial reports and consultation matters and results	None
Written opinion of the successor accountant on the dissenting opinion of the former accountant	None

6.3 The former accountant's reply to the matters in the first item of paragraph 6 of Article 10 and item 3 of item 2 of this standard: None

6.4 Assessment of Accountant's Independence

The financial center of the company regularly evaluates the independence and suitability of certified accountants with reference to the audit quality indicators (AQIs) once a year. The independence evaluation form is as shown in the table below and obtains the independence statement issued by the certified public accountant. It has been assessed that the company's certified accountant meets the company's independence assessment standards and is sufficient to serve as the company's certified accountant. The evaluation results will be submitted to the audit committee for review on March 4, 2022 and approval by the board of directors on March 8, 2022.

CPA independence assessment form

Assessment items	NO	YES
1. Whether the CPA has a direct or material indirect financial interest in the Company?	V	
2. Whether the CPA has acted in a financing or guarantee with the Company or the Company's directors?	V	
3. Whether CPA influence the company's audit based on considering the likelihood of losing customer?	V	
4. Whether CPA has a close business relationship and a potential employment relationship with the Company?	V	
5. Whether CPA receives any fees irrelevant to the examination of the Company?	V	
6. Whether CPA and audit team members currently have not served as directors /supervisors or managers of the Company in the last two years or a position that has a significant impact on the audit?	V	
7. Do the non-auditing services provided by CPA to the Company directly affect the important items of auditing cases?	V	
8. Whether CPA has advertised or brokered the stock or other securities issued by the Company?	V	
9. Whether CPA acts as the defender of the Company or coordinates conflicts with other third parties on behalf of the Company?	V	
10. Whether CPA is related to the director/supervisor, manager or person who has a significant influence on the auditing case?	V	
11. Whether a collaborative practicing accountant quited within one year and took charge of the directors, supervisors manger and post with significant impact on auditing cases of audited clients?	V	
12. Whether CPA also works for the company on a regular basis and receives a fixed salary?	V	
13. Whether CPA relates to the management function of the Company in making decisions?	V	
14. As of the last governing auditing and certification for the Company, had there been no change CPA for seven years?	V	
15. So far, whether CPA has been punished?	V	

7、The company's chairperson, general manager, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its certified public accountant or at an affiliated enterprise of such accounting firm.: None.

8、Information on shareholding transfer and pledge by Directors, Supervisors, Department Heads and Shareholders with over 10% shareholding in the most recent year and up to the printing of the annual report

8.1 Shares Changes in Shareholding of Directors, Managers and Major Shareholders

Unit: Share

Title	Name	2022		As of Apr. 18,2023	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Chairman & President	Wenchi Chen	0	0	0	0
Director	Cher Wang	0	0	0	0
Director & Senior Vice President	Tzumu Lin	0	0	0	0
Director	Qun-Mao Liu	0	0	0	0
Independent Director	Wei-Teh Hsu	0	0	0	0
Independent Director	Ti-Hsiang Wei	0	0	0	0
Independent Director	Wen-Yuen Ken	0	0	0	0
Vice President	Richard Brown	0	0	0	0
Vice President	Jia-Long Wu	35,000	0	0	0
Vice President	Tom Hsu	0	0	0	0
Vice President	Epan Wu	(9,000)	0	0	0
Vice President, Accounting Supervisor and Corporate Governance Supervisor	Bao-Huei Chen	80,000	0	50,000	0
Assistant Vice President	Neng-An Kuo	40,000 (40,000)	0	0	0
Assistant Vice President	Meng-Cheng Ku	(18,000)	0	0	0
Assistant Vice President	Cheng-Hui Pu	0	0	0	0
Assistant Vice President	Chang Ching-Chen (date of inauguration: Feb. 21, 2023)	0	0	0	0
Vice President	Shao-Lun Lee (date of dismissed: Jan. 01, 2023)	0	0	0	0
Legal Director	Shu-Fen Huang (date of resignation: Apr. 8, 2022)	0	0	0	0

8.2 Information on the relative person of the trustee, supervisor, manager and major shareholder's equity Transfer.: None.

8.3 Information about the relative person of the director, supervisor, manager and major shareholder's equity pledge.: None.

9 · Relationship information among the Top Ten Shareholders and any one is a related party or a relative within the second degree of kinship of another

April 18, 2023

Name	Shareholding		Spouse's/minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relationship	
Shin Ton Investment Co., Ltd. (Representative: Su-Lan Chiang)	48,548,127	9.74%	0	0.00%	0	0%	Hung Mao Way Chih Kun Chang CW & ET Chuan Te Li Way Cher Wang	Same chairwoman Same chairwoman Same chairwoman Same chairwoman Same chairwoman Same chairwoman Director	
CW & ET Link Inc. (Representative: Su-Lan Chiang)	48,114,333	9.65%	0	0.00%	0	0%	Hung Mao Way Chih Kun Chang Shin Ton Chuan Te Li Way Cher Wang	Same chairwoman Same chairwoman Same chairwoman Same chairwoman Same chairwoman Same chairwoman Director	
Hung Mao Investment Co., Ltd. (Representative: Su-Lan Chiang)	45,281,073	9.09%	0	0.00%	0	0%	Way Chih Kun Chang CW & ET Shin Ton Chuan Te Li Way Cher Wang	Same chairwoman Same chairwoman Same chairwoman Same chairwoman Same chairwoman Same chairwoman Director	
Way Chih Investment Co., Ltd. (Representative: Su-Lan Chiang)	42,290,638	8.49%	0	0.00%	0	0%	Hung Mao Kun Chang CW & ET Shin Ton Chuan Te Li Way Cher Wang	Same chairwoman Same chairwoman Same chairwoman Same chairwoman Same chairwoman Same chairwoman Director	
Kun Chang Investment Co., Ltd. (Representative: Su-Lan Chiang)	41,141,508	8.26%	0	0.00%	0	0%	Hung Mao Way Chih CW & ET Shin Ton Chuan Te Li Way Cher Wang	Same chairwoman Same chairwoman Same chairwoman Same chairwoman Same chairwoman Same chairwoman Director	
Cher Wang	34,629,196	6.95%	7,353,682	1.48%	0	0%	Way Chih Kun Chang Shin Ton CW & ET Hung Mao Chuan Te Li Way	Director Director Director Director Director Director Director	
Hong Kong business, the Hongkong and Shanghai Banking Corporation, custody of the special investment account of Bit Company	14,605,421	2.93%	0	0.00%	0	0%	None	None	
Chuan Te Investment Co., Ltd. (Representative: Su-Lan Chiang)	12,679,051	2.54%	0	0.00%	0	0%	Hung Mao Way Chih Kun Chang CW & ET Shin Ton Li Way Cher Wang	Same chairwoman Same chairwoman Same chairwoman Same chairwoman Same chairwoman Same chairwoman Director	
Li Way Investment Co., Ltd. (Representative: Su-Lan Chiang)	12,572,680	2.52%	0	0.00%	0	0%	Hung Mao Way Chih Kun Chang CW & ET Shin Ton Chuan Te Cher Wang	Same chairwoman Same chairwoman Same chairwoman Same chairwoman Same chairwoman Same chairwoman Director	
Mu-Chuan, Lin	7,925,000	1.59%	0	0.00%	0	0%	None	None	

10 · The shareholding of the same invested company by the Company, the Directors, the Supervisors, the Managers or other business that is controlled by the Company directly or indirectly

December 31, 2022

Unit : Share ; %

Long-Term Investment	Ownership by VIA		Ownership by directors and managers, and any companies controlled either directly or indirectly by the company		Total Ownership	
	Shares	%	Shares	%	Shares	%
VIATECH CO., LTD.	70,202	100.00%	0	0%	70,202	100.00%
VIABASE CO., LTD.	115,383	100.00%	0	0%	115,383	100.00%
TUNGBASE TECHNOLOGIES, LTD.	1,080	100.00%	0	0%	1,080	100.00%
VATE TECHNOLOGY CO., LTD.	52,656	66.28%	0	0%	52,656	66.28%
VIA NEXT TECHNOLOGIES, INC.	500	100.00%	0	0%	500	100.00%
VIA LABS, INC.	38,843	56.49%	512	0.75%	39,355	57.24%
VIA INTELLIGENT AUTOMOTIVE, INC.	260	100.00%	0	0%	260	100.00%
VIA COMMUNICATIONS, INC	1,000	100.00%	0	0%	1,000	100.00%
IDOT COMPUTERS, INC	5,500	22.82%	399	1.66%	5,899	24.48%
INTUMIT, INC.	1,200	4.69%	0	0%	1,200	4.69%
HLJ TECHNOLOGY CO., LTD.	11,200	12.08%	0	0%	11,200	12.08%

Part 4 、 Capital Overview

1 、 Capital and Shares

1.1 Sources of the capital for shares

April 18, 2023

Month/ Year	Is- sue Pri ce (pe r sha re)	Authorized Capital		Paid-in Capital		Sources of Capital	Capi- tal In- crease by Assets Other than Cash	Approval date and Approval document no.
		Shares (in thou- sands)	Amount (NT\$ thousands)	Shares (in thou- sands)	Amount (NT\$ thousands)			
Sep.,1992	10	500	5,000	500	5,000	Incorporation	-	-
Mar.,1994	10	3,000	30,000	3,000	30,000	Cash \$25 million	-	-
Apr.,1994	10	5,000	50,000	5,000	50,000	Cash \$20 million	-	-
Dec.,1994	10	10,000	100,000	10,000	100,000	Cash \$50 million	-	-
Oct.,1995	10	80,000	800,000	40,000	400,000	Cash \$275 million Retained earnings \$25 million	-	1995.10.04 SFE Ruling (84)Tai-Tsai-Cheng(1) No.53653
Jul.,1996	10	80,000	800,000	50,000	500,000	Cash \$40 million Retained earnings \$60 million	-	1996.07.13 SFE Ruling (85)Tai-Tsai-Cheng(1) No.41684
Jun.,1997	30	80,000	800,000	70,000	700,000	Cash \$50 million Retained earnings \$150 million	-	1997.06.23 SFE Ruling (86)Tai-Tsai-Cheng(1) No.49787
Apr.,1998	10	460,000	4,600,000	177,000	1,770,000	Retained earnings \$980 million Employee bonus stock \$20 million Capital reserve \$70 million	-	1998.04.15 SFE Ruling (87) Tai-Tsai-Cheng(1) No.31890
Jun.,1998	60	460,000	4,600,000	200,000	2,000,000	Cash \$230 million	-	1998.06.18 SFE Ruling (87) Tai-Tsai-Cheng(1) No.53287
Jul.,1999	10	460,000	4,600,000	324,000	3,240,000	Retained earnings \$1.1 billion Employee bonus stock \$40 million Capital reserve \$0.1 billion	-	1999.07.06 SFE Ruling (88) Tai-Tsai-Cheng(1) No.62039
Oct.,1999	150	460,000	4,600,000	376,500	3,765,000	Cash \$525 million	-	1999.09.20 SFE Ruling (88)Tai-Tsai-Cheng(1) No.82969 1999.10.08 SFE Ruling (88)Tai-Tsai-Cheng(1) No.90097
Jul.,2000	10	1,100,000	11,000,000	576,750	5,767,500	Retained earnings \$1.506 billion Employee bonus stock \$0.12 billion Capital reserve \$0.3765 billion	-	2000.07.06 SFE Ruling (89)Tai-Tsai-Cheng(1) No.58106
Sep.,2001	10	1,170,000	11,700,000	946,800	9,468,000	Retained earnings \$3.4605 billion Employee bonus stock \$0.24 billion	-	2001.07.18 SFE Ruling (90)Tai-Tsai-Cheng(1) No.146725
Jul.,2002	10	1,500,000	15,000,000	1,191,854	11,918,540	Retained earnings \$2.08296 billion Employee bonus stock \$0.36758 bil- lion	-	2002.07.19 SFE Ruling (91)Tai-Tsai-Cheng(1) No.0910140295
Aug.,2003	10	1,500,000	15,000,000	1,270,447	12,704,467	Retained earnings \$262.21 million Employee bonus stock \$190 million Capital reserve \$333.72 million	-	92.08.01 SFE Ruling (92)Tai-Tsai-Cheng(1) No.0920134839
Jan.,2005	10	1,500,000	15,000,000	1,333,380	13,333,803	Capital reserve \$629.34 million	-	2005.01.03 FSC Rul- ing Jin-Kwong-Cheng(1) No.0930158950
Oct.,2006	10	1,500,000	15,000,000	1,325,389	13,253,893	Treasury stock for cancellation with decrease of \$79,910 thousand	-	2003.11.28 SFE Ruling Tai-Tsai-Cheng(3) No.0920157234

Sep.,2007	10	1,500,000	15,000,000	1,309,174	13,091,743	Treasury stock for cancellation with decrease of \$162,150 thousand	-	2004.09.08 FSC Ruling Jin-Kwong-Cheng(3) No.0930142386 Jin-Kwong-Cheng(3) No.0930142387
Nov.,2007	10	1,500,000	15,000,000	1,309,237	13,092,369	Employee stock options exercised \$626 thousand	-	2004.06.24 SFE Ruling Tai-Tsai-Cheng(3) No.0930127536
May,2008	10	1,500,000	15,000,000	1,308,973	13,089,732	Treasury stock for cancellation with decrease of \$2,637 thousand	-	2004.11.25 FSC Ruling Jin-Kwong-Cheng(3) No.0930154200
Dec.,2008	10	1,500,000	15,000,000	1,291,517	12,915,172	Cancellation \$174,560 thousand due to acquisition	-	2008.12.19 Jin-So-Sun-Tzi No.09701317730
Jul.,2009	10	1,500,000	15,000,000	516,607	5,166,069	Capital reduction \$7,749,103 thousand	-	2009.07.10 FSC Ruling Jin-Kwong-Cheng-Fa-Tzi No.0980033262
Dec.,2009	15.80	1,500,000	15,000,000	686,607	6,866,069	Cash \$1.7 billion	-	2009.08.21 FSC Ruling Jin-Kwong-Cheng-Fa-Tzi No.0980034521 & No.0980042461
May,2010	12.30	1,500,000	15,000,000	986,607	9,866,069	Cash in private placement \$3 billion	-	2010.06.03 Jin-So-Sun-Tzi No.09901114540
Aug.,2012	10	1,500,000	15,000,000	493,303	4,933,034	Capital reduction \$4,933,034 thousand	-	2012.07.20 FSC Ruling Jin-Kwong-Cheng-Fa-Tzi No.1010030501 2012.08.20 Jin-So-Sun-Tzi No.10101171880
Aug.,2019	10	2,000,000	20,000,000	493,303	4,933,034	The authorized capital increased to \$20 billion	-	2019.08.12 Jin-So-Sun-Tzi No.10801092520
Apr.,2021	10	2,000,000	20,000,000	494,059	4,940,594	Employee stock options exercised \$7,560 thousand	-	2021.04.13 Jin-So-Sun-Tzi No.11001057450
May,2021	10	2,000,000	20,000,000	494,396	4,943,959	Employee stock options exercised \$3,365 thousand	-	2021.05.24 Jin-So-Sun-Tzi No.11001081690
Dec.,2021	10	2,000,000	20,000,000	494,410	4,944,109	Employee stock options exercised 150 thousand	-	2021.12.01 Jin-So-Sun-Tzi No.11001212020
Mar.,2022	10	2,000,000	20,000,000	495,314	4,953,142	Employee stock options exercised \$9,033 thousand	-	2022.03.22 Jin-So-Sun-Tzi No.11101046380
Jun.,2022	10	2,000,000	20,000,000	495,454	4,954,539	Employee stock options exercised \$1,397 thousand	-	2022.06.02 Jin-So-Sun-Tzi No.11101081850
Aug.,2022	10	2,000,000	20,000,000	496,603	4,966,029	Employee stock options exercised \$11,490 thousand	-	2022.08.29 Jin-So-Sun-Tzi No.11101157730
Nov.,2022	10	2,000,000	20,000,000	497,010	4,970,099	Employee stock options exercised \$4,070 thousand	-	2022.11.17 Jin-So-Sun-Tzi No.11101218060
Mar.,2023	10	2,000,000	20,000,000	497,497	4,974,974	Employee stock options exercised \$4,875 thousand	-	2023.03.31 Jin-So-Sun-Tzi No.11230048800

Type of stock	Authorized Capital			Note
	Outstanding shares (Note)	Unissued Shares	Total	
Common stock	498,344,941	1, 501, 655, 059	2,000,000,000 (120,000,000 shares of our authorized capital are reserved for the exercise of stock warrants)	Listed stocks (Note)

Note : From January to April 2023, the company has a total of 847,500 shares of employee stock options, and the registration of share capital change has not yet been processed, so the number of shares outstanding was 498,344,941 shares as of April 18, 2023.

1.2 Structure of shareholders

April 18, 2023

Shareholder structure Item	Government Agencies	Financial Institutions	Other Juridical Person	Foreign Institutions & Natural Persons	Domestic Natural Persons	Total
Number of Shareholders	0	2	86	231	51, 912	52, 231
Shareholding (Shares)	0	6, 538	261, 022, 260	42, 293, 954	195, 022, 189	498, 344, 941
Percentage%	0. 00%	0. 00%	52. 38%	8. 49%	39. 13%	100. 00%

1.3 Allocation of shares

For the price of each share is 10 dollars

April 18, 2023

Class of Shareholding (Unit : Share)	Number of Shareholders	Class of Shareholding (Unit : Share)	Number of Shareholders
1-999	24,436	5,920,593	1.19%
1,000-5,000	23,427	43,475,817	8.72%
5,001-10,000	2,309	18,158,962	3.64%
10,001-15,000	657	8,471,911	1.70%
15,001-20,000	407	7,622,023	1.53%
20,001-30,000	381	9,754,856	1.96%
30,001-40,000	148	5,243,973	1.05%
40,001-50,000	101	4,708,993	0.94%
50,001-100,000	193	13,736,909	2.76%
100,001-200,000	89	12,394,054	2.49%
200,001-400,000	39	10,822,880	2.17%
400,001-600,000	17	8,050,642	1.62%
600,001-800,000	5	3,501,651	0.70%
800,001-1,000,000	3	2,690,000	0.54%
Over 1,000,001	19	343,791,677	68.99%
Total	52,231	498,344,941	100.00%

1.4 Name list of major shareholders

April 18, 2023

Shareholder's Name	share	Shareholding (Shares)	Percentage
Shin Ton Investment Co., Ltd.		48,548,127	9.74%
CW & ET Link Inc.		48,114,333	9.65%
Hung Mao Investment Co., Ltd.		45,281,073	9.09%
Way Chih Investment Co., Ltd.		42,290,638	8.49%
Kun Chang Investment Co., Ltd.		41,141,508	8.26%
Cher Wang		34,629,196	6.95%
Bits Company Investment Account under the custody of HSBC		14,605,421	2.93%
Chuan Te Investment Co., Ltd.		12,679,051	2.54%
Li Way Investment Co., Ltd.		12,572,680	2.52%
Mu-Chuan Lin		7,925,000	1.59%

1.5 Market Price, Net Worth, Earnings, and Dividends per Share of the Past Two Years

Unit : NT\$; thousand shares ; %

Item	Year				
	2021	2022	As of Mar. 31, 2023		
Market Price per Share	Highest Market Price	103.50	93.90	97.00	
	Lowest Market Price	38.05	42.50	66.30	
	Average Market Price	75.32	72.34	84.37	
Net Worth per Share	Before Distribution	25.42	26.19	25.85	
	After Distribution	24.42	26.04	-	
Earnings per Share	Weighted Average Shares	494,436	496,326	497,555	
	Earning per share	8.01	(0.17)	(0.16)	
Dividends per Share	Cash Dividends	1.00	0.15	-	
	Stock Dividends	Stock Dividend from Retained earnings	-	-	-
		Stock Dividend from additional Paid-in capital	-	-	-
	Accumulated Undistributed Dividends	-	-	-	
Return on Investment	Price - Earnings Ratio (Note 1)	7.21	-	-	
	Price - Dividend Ratio (Note 2)	57.78	439.40	-	
	Cash Dividend Yield Rate (Note 3)	0.02	0.002	-	

Note 1: Price-Earnings Ratio = average closing price per share of the year / earning per share. If it is earnings per share or loss show by "-".

Note 2: Price-Dividend ratio = average closing price per share of the year / cash dividend per share.

Note 3: Cash Dividend Yield Rate = cash dividend per share / averaged closing price per share of the year

1.6 Dividend Policy and Implementation Status

1.6.1 Dividend Policy

Considering the overall environment, long-term financial planning, and the aim to achieve sustainability and stable business development, the Company's dividend policy is set based on capital budgeting and funding needs, as well as shareholders' interests and other factors. The shareholders' dividends allocated shall not be lower than 10% of the annual distributable surplus. The method for allocation of shareholders' dividends could be done in cash or stock dividends, where the proportion of cash dividends should not be less than ten percent.

According to Article 21 of the Articles of Incorporation:

If there is a net profit in the final accounts of the Company, it shall be allocated in the following order :

1. Pay taxes.
2. Cover accumulated losses.
3. 10% shall be reserved as statutory surplus reserve, but this is no longer necessary when the statutory surplus reserve has reached the Company's total amount of capital.
4. Special surplus reserve shall be increased or rotated in accordance with the law. When a special reserve is appropriated for cumulative net debit balance reserves from prior period and cumulative net increases in fair value measurement of investment properties from prior period, the sum of net profit for current period and items other than net profit that are included directly in the unappropriated earnings for current period is used if the prior unappropriated earnings is not sufficient.
5. After the allocation in item 1-4, the BOD shall prepare the Surplus distribution case with the previous annual accumulation of undistributed surplus.

Considering the overall environment, long-term financial planning, and the aim to achieve sustainability and stable business development, the Company's dividend policy is set based on capital budgeting and funding needs, as well as shareholders' interests and other factors. The shareholders' dividends allocated shall not be lower than ten percent of the net surplus of current year. The proportion of cash dividends should not be less than ten percent of total dividend. Surplus distribution to be handled as follows: distributable dividends and bonuses、capital reserve or statutory surplus reserve in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting. If the Company distributes surplus earning in the form of new shares, it shall be handled in accordance with the Company Act by resolution of the shareholders meeting.

1.6.2 Circumstances of the dividend distribution this year :

The company's undistributed surplus at the beginning of the period was NT\$4,946,375,401 (the same below), and the net loss after tax for the current period was NT\$83,635,352. The remeasurement amount of the confirmed welfare plan was recognized as NT\$46,106,131 in retained earnings, and the reversal of special reserve in accordance with the law was NT\$733,680,465, and the distributable surplus by 2022 is NT\$5,642,526,645. Considering the use of funds and avoiding the expansion of share capital, it is planned to issue a cash dividend of NT\$74,751,741, and a cash dividend of NT\$0.15 per share. The undistributed surplus at the end of the post-distribution period was NT\$5,567,774,904.

1.6.3 The dividend policy to be revised at this shareholders' meeting is as follows: None.

1.7 Effect upon business performance and earnings per share of any stock dividend distribution proposed or adopted at the most recent shareholders' meeting :

The Company does not plan to distribute stock dividend this year, so it is not applicable.

1.8 The dividends and the compensation for directors :

1.8.1 According to Article 20 of the Articles of Incorporation:

If the Company is profitable in the current fiscal year, no less than 5% shall be allocated as employees' compensation in stock dividends and cash dividends by resolution of the board of directors, and no more than 1% shall be allocated as the remuneration for directors. The distribution of the employees' and the directors' compensation shall be reported to the

shareholders' meeting. However, the company's accumulated losses shall have been covered before the employee compensation and remuneration for directors are allocated based on the aforementioned proportion. The Company's may transfer treasury stock, employee stock warrants, certificate of entitlement to new shares, restricted stock awards and employee compensation to employees of the controlling or subordinate company, which are to be issued under specific conditions by resolution of the board of directors.

1.8.2 Accounting treatment of the current period if there is a difference between the remuneration of employees and directors, the basis for estimating the amount of remuneration, the basis for calculating the number of shares issued for dividends and the actual amount of distribution if there is a difference from the estimated amount :

- (1) Basis for estimating the remuneration of employees and directors for the current period: According to the above (8) 1. The Articles of Association of the Company, nothing distribution of employee remuneration (including managers' remuneration) and director remuneration.
- (2) Calculation basis for the number of shares for employee compensation distributed by stock: The company did not distribute employee compensation in stock in the current period, which is not applicable.
- (3) The accounting treatment when there is a difference between the actual distribution amount and the estimated amount is as follows: when there is a significant change in the distribution amount resolved by the board of directors after the end of the year and before the date of approval of the financial report, the difference shall be adjusted to the original annual expense; After the financial report is approved, it will be submitted to the shareholders meeting after the resolution of the board of directors. If there is still a change in the amount, it will be dealt with according to the change in accounting estimates, and the profit and loss of the current year will be adjusted in the year when it is submitted to the shareholders meeting.

1.8.3 The information of compensation proposal approved by the Board of Directors:

- (1) The amount of remuneration paid to employees, directors in cash or shares. If there is a discrepancy with the estimated amount of the annual cost, the number of differences, the reasons and the circumstances of their treatment should be disclosed: No discrepancy.
- (2) The amount of employee remuneration distributed in stock and the proportion to the total after-tax net profit and total employee remuneration in the current period's individual or individual financial report: There is no employee remuneration distributed in stock in 2022, so it is not applicable.

1.8.4 Actual distribution of compensation for employees, and Directors for the previous year and where there were discrepancies the recognized compensations for employees and Directors, the difference, cause, and treatment of the discrepancy shall be described: The company's 2021 employee and director remuneration distribution plan was approved by the board of directors on March 8, 2022. The proposed distribution is in cash. The employee's remuneration will be distributed NT\$220,000,000, and the director's remuneration will be distributed NT\$1,000,000 in cash, which is the same as the estimated amount for the year, so there is no expense recognition difference.

1.9 Buyback of Treasury Stock : None.

2 、 Issuance of Corporate Bonds : None.

3 、 Issuance of Preferred Stock : None.

4 、 Issuance of Global Depository Receipts : None.

5、Employee Stock Options：

5.1 Issuance of employee stock option in existence as of the date of printing of the annual report and impact to shareholders' equity.

Apr. 18, 2023
Unit: shares and NT\$

Employee Stock Options Granted	2018 Employee Stock Option		2019 Employee Stock Option
Approval Date and Number	October 3, 2018 and 5,000,000		April 16, 2019 and 5,000,000
Issue (Grant) date	November 13, 2018	October 1, 2019	March 20, 2020
Number of Options Granted	4,210,000	790,000	5,000,000
Number of Options Unissued	0	0	0
Percentage of Option Granted to Total Shares Issued (%)	0.85%	0.16%	1.01%
Option Duration	10 Years	10 Years	10 Years
Source of Option Shares	New Common Share	New Common Share	New Common Share
Vesting Schedule (%)	After 2 years 50 % After 3 years 75 % After 4 years 100 %	After 2 years 50 % After 3 years 75 % After 4 years 100 %	After 2 years 50 % After 3 years 75 % After 4 years 100 %
Shares Exercised	2,519,000	480,000	2,042,500
Value of Shares Exercised	62,464,100	16,487,400	36,152,250
Shares Unexercised	1,691,000	310,000	2,957,500
Exercise Price Per Share	24.50 (Note 1)	34.00 (Note 1)	17.70 (Note 1)
Percentage of Shares Unexercised to Total Shares Issued (%)	0.34%	0.06%	0.59%
Impact to Shareholders' Equity	After 2 full years of the granty date, optionee can implemented successively during the option duration, and the shareholders' equity will be diluted year by year. Therefore, the dilution to shareholder's equity is limited	After 2 full years of the granty date, optionee can implemented successively during the option duration, and the shareholders' equity will be diluted year by year. Therefore, the dilution to shareholder's equity is limited.	After 2 full years of the granty date, optionee can implemented successively during the option duration, and the shareholders' equity will be diluted year by year. Therefore, the dilution to shareholder's equity is limited.

Note 1: Due to the distribution of cash dividends in 2021, the subscription price is adjusted according to the employee stock option plan.

5.2 Information on Name of Managers and Top 10 Employees Obtaining Restricted Employee Shares

Unit: shares and NT\$

Title	Name	Number of Option Acquired	Number of Option Acquired / Number of Share Issued (%) (Note 1)	Exercised			Not Exercised			
				Number of Option	Exercise Price (NT\$)	Option amount	Number of Option / Number of Share Issued (Note 1)	Number of Option	Exercise Price (NT\$)	Option amount
Vice President	Epan Wu	1,840,000	0.37%	450,000	Exercise Price of year 2018 : NT 24.9/ 24.5 and Exercise Price of year 2019: NT 17.7 (Note 3)	10,149,800	0.09%	1,390,000	29,567,000	0.28%
Vice President	Richard Brown									
Vice President/ Chief Financial Officer	Bao-Huei Chen									
Vice President	Jia-Long Wu									
Assistant Vice President	Cheng-Hui Pu									
Assistant Vice President	Neng-An Kuo									
Assistant Vice President	Meng-Cheng Ku									
Assistant Vice President	Yi-Lin Lai (Note 2)									
Assistant Vice President	Shu-Fen Huang (Note 2)									
Top 10 Employees	Howard Yang (Note 2)	2,000,000	0.40%	915,000	Exercise Price of year 2018 : NT 24.9/ 24.5 and Exercise Price of year 2019: NT 17.7 (Note 3)	20,166,700	0.18%	1,085,000	21,652,500	0.22%
	Iming Pai									
	Shelton Lu									
	Timothy Chen									
	Andy Kao									
	Audi Chang									
	Jiayo Hsu									
	Steve Liu									
	Brian M. Wang									
Moto Huang										

Note 1: The number of share issued is calculated on the basis of the actual number of outstanding shares 498,344,941 as of Apr. 18, 2023.

Note 2: The employee has resigned.

Note 3: Due to the distribution of cash dividends in 2021, the subscription price is adjusted according to the employee stock option plan.

6、New Restricted Employee Shares : None.

7、Status of New Issuance in Connection with Mergers and Acquisitions : None.

8、Financing Plans and Implementation : None.

Part 5 、 Operational Highlights

1 、 Business Activities

1.1. Business Scope

1.1.1 The Main Business Activities of the Company

VIA Technologies, Inc is headquartered in Xindian District, New Taipei City, Taiwan, and operates a global network of R&D centers and branches and in the Asia-Pacific region and the United States.

The core business focus of VIA is the design, development, manufacturing, and sales of x86 processor platforms for mainstream computing and thin client applications. In addition, the company has launched a growing range of intelligent systems that harness advanced AI (Artificial Intelligence), ML (Machine Learning), edge perception, and cloud technologies for a broad spectrum of intelligent automotive, industrial, building, and edge applications. With these cutting-edge solutions, VIA is enabling enterprise customers from myriad industries to accelerate the digital transformation of their operations, enhance safety, increase efficiency, and boost innovation.

VLI (VIA Labs), a subsidiary of the group, is a leading global supplier of USB4, USB Type-C, USB Power Delivery (USB PD), and SuperSpeed USB controllers. Its products are widely used in various high-speed transmission and charging related mobile peripheral devices and have been adopted by many of the world's leading PC and consumer electronics OEMs. VIA Next offers a full range of chip back-end design and production and software and hardware integration and development services, providing customers with the technical support and mass production expertise they require for the development of various types of IC products.

1.1.2 Proportion of products

Calculated based on the Y2022 turnover, sales of VIA CPU, intelligent automotive, edge, industrial, and building solutions accounted for about 44% of the total revenue, VIA Labs accounted for nearly 32%, while VIA Next accounted for about 24%.

1.1.3 Products and Application fields

VIA

VIA is focused on the development of x86 processor platforms as well as highly integrated intelligent solutions for enterprise customers in the automotive, industrial, building, and edge markets.

(1) VIA Intelligent Automotive Solutions

VIA Intelligent Automotive Solutions include a comprehensive range of VIA Mobile360 systems targeted at the industrial safety system and video telematics markets. Combining high-precision people detection, object detection, object recognition, advanced driver assistance system, and driver safety system AI algorithms with advanced camera and radar sensor fusion and cloud integration technologies, these rugged and scalable systems are designed for the most demanding industrial safety and video telematics use cases for vehicles of all shapes and sizes.

- **Heavy Equipment Safety:** The VIA Mobile360 Heavy Equipment Safety System leverages its powerful sensor fusion and SVS (Surround View System) video technologies to provide operators of massive mining, excavation, and construction vehicles such as loaders, haulers, excavators with real-time AI-powered alerts of approaching vehicles, machinery, and workers in all weather, lighting, and working conditions. Designed to run 24/7 in the world's most demanding environments, this ruggedized and waterproof system has been installed on a wide variety of vehicles from leading heavy equipment manufacturers such as Caterpillar, John Deere, and Komatsu. The system not only enables owners of mining and excavation sites to boost the safety of their operations through more effective accident prevention measures; it also allows them to boost efficiency by reducing losses from equipment downtime and lowering insurance costs.

- Forklift/Construction equipment Safety: The VIA Mobile360 Forklift Safety System and VIA Mobile360 Construction Equipment Safety System enable enterprises to prevent pedestrian accidents in busy warehouse, industrial, and construction environments with their AI-powered smart people detection and driver fatigue and distraction monitoring capabilities. The attached VIA Mobile360 WorkX Cloud Portal provides a convenient way for enterprises to monitor safety incidents, as well as track vehicle utilization, driver behavior, and other key metrics. The systems support both combustion-powered and EV vehicles and are being increasingly adopted across industries as diverse as petrochemicals, ports, food processing, and e-commerce for a broad spectrum of operational safety and materials handling applications.
- Video Telematics: The VIA Mobile360 D700 AI Dash Cam and VIA Mobile360 M800 System combine AI-powered collision avoidance and driver safety system features with seamless AWS cloud integration using the VIA Fleet Cloud Management Portal. The systems have gained increasing traction among commercial fleet operators by enabling them to boost the safety and efficiency of their fleets through improved accident prevention, real-time vehicle and driver tracking, and reduced insurance and maintenance costs.

(2) VIA Intelligent Industrial Solutions

VIA Intelligent Industrial Solutions harness advanced AI, ML, IIoT, and edge perception technologies to enable manufacturers to enhance the safety and efficiency of their operations through increased automation and faster and more precise defect and hazard detection.

- Visual Inspection Solutions: These solutions boost the speed and accuracy of defect detection in production and plant maintenance processes while reducing labor costs and health and safety risks for workers. Key applications include pipeline weld inspection, plastic bag stitching inspection, and production line filter defect detection.
- Safety Inspection Solutions: These solutions prevent accidents, increase worker protection, and reduce insurance costs. Key applications include smoke/fire/gas leakage detection and worker PPE inspection.

(3) VIA Intelligent Building Solutions

VIA Intelligent Building Solutions comprise a complete range of smart access control, video intercom, doorbell, and alarm systems that enhance the security and convenience of residential and commercial complexes. Other items in the range include smart kiosks, digital signage, biometric identification, and self-service payment systems.

(4) VIA Intelligent Edge Solutions

VIA Intelligent Edge Solutions include a wide variety of boards, modules, and systems that accelerate the development of smart camera-based systems and devices for industrial, commercial, and retail environments. Available in a rich array of configurations and form factors, these platforms combine low power consumption and advanced compute and video performance with rich I/O and connectivity features. They also feature Linux and Android BSPs (Board Support Package) and SDKs (Software Development Kit) to facilitate application development.

(5) x86 Processor platform and Chip

VIA provides a range of x86 processor platforms, multi-function SOCs, (system-on-chips) and chipsets that support Microsoft Windows and Linux operating systems and are suitable for commercial desktop PCs, notebooks, thin clients, and all-in-one computers.

VIA Labs

VIA Labs specializes in the design, development, and sales of USB-related control chips, covering three core technologies and complete solutions of USB Type-C, USB Power Delivery, and USB High-speed Transmission. The products are widely used in various high-speed transmission and charging related mobile peripherals, the main items are listed as follows.

- USB4 controller chip:
 - A. Device Controller
- USB 3.2 Gen1x1/Gen2x1 controller chip:
 - A. Host Controller

- B. Hub Controller
- C. Device Controller
- D. External storage bridg USB SATA Bridge Controller
- E. Audio Control USB Audio Controller
- USB Type-C interface control chip and product design reference solution:
 - A. Electronic Marker (E-Marker)
 - B. DP Alternate Mode & USB PD Controller Chip (DisplayPort Alternate Mode & PD Controller)
 - C. Transfer conversion- USB Data Switch and Mux
 - D. Signal relay control chip- Re-driver
- USB Power Delivery power management chip and transmission solution:
 - A. USB Type-C DFP CC Controller
 - B. USB Type-C UFP CC Controller
 - C. USB PD Wall Adapter
 - D. USB PD Sink Controller
- USB 2.0 to USB 3.2 hardware conversion bridge chip:
 - U3TT (USB 3.2 Transaction Translator)
- Display Port to HDMI Signal Converter:
 - PCON (Protocol Converter)

VIA Next

Formerly known as the VIA CPU Platform Division, VIA Next provides customized IC design and production services, including:

- Chip back-end design and production services: foundry process evaluation and design, mass production management, and cost and yield improvement. IC advanced substrate and package design. Quality and reliability testing. IC DFT design development. Mass production test platform and program development. System-level test platform and program development.
- System software and hardware integration and development: design and development of various system boards. Development of various operating systems, drivers, and application software. Software and hardware verification and testing of chips and systems.

1.1.4 Product roadmap

VIA is focused on the development of highly integrated and scalable platform solutions for enterprise customers in the intelligent automotive, industrial, edge, and building markets that harness pinpoint AI-powered people, object, and hazard detection capabilities to boost operational safety and efficiency by preventing accidents and identifying defects.

(1) VIA Intelligent Automotive Solutions

VIA is expanding the VIA Intelligent Automotive Solutions line by introducing new models that address the specific usage needs of key vertical segments in the industrial safety systems market, including aggregates excavation, construction, manufacturing, and logistics and warehousing. New models of the VIA Mobile360 Heavy Equipment Safety System will be introduced for specific vehicle types and use cases, including loaders and haulers for aggregates, waste disposal trucks for refuse collection, telehandlers for construction, and high-capacity forklifts for ports and logistics operations. The same approach will be adopted for the VIA Mobile360 Construction Equipment Safety System, with new models being planned for smaller and more compact vehicles such as skid steers, mini-excavators and mini-haulers. VIA is also continuing to invest in the enhancement of the VIA Mobile360 WorkX Cloud Management Service for the VIA Mobile360 Forklift Safety System and the vCare cloud service platform for the VIA Mobile360 Heavy Equipment Safety System to meet customer needs for real-time vehicle utilization tracking, driver behavior monitoring, and safety incident reporting.

(2) VIA Intelligent Industrial Solutions

VIA has initiated the development of a new line of standardized intelligent industrial systems that can be deployed by multiple customers across diverse industry verticals at scale without requiring extensive customization. VIA FireWatch 365, a highly ruggedized smoke/fire/gas leakage detection system designed for indoor and outdoor industrial fire prevention applications, will be the first standardized intelligent industrial system to be launched in 2023.

(3) VIA Intelligent Building Solutions

To strengthen its market leadership in platform-as-a-service application solutions for smart residential and commercial buildings, VIA is upgrading its existing intercom systems with a cloud server intercom architecture and boosting partnerships with broadband operators. Other priorities include new security enhancements to the VIA Intelligent Building Solutions platform and the development of new systems to meet the requirements of government smart building certification programs.

(4) VIA Intelligent Edge Solutions

To facilitate the prototyping and production of next-generation Edge AI systems using VIA Intelligent Edge Solutions platforms, VIA is creating a comprehensive VIA LenZ framework featuring rich software development tools and sample pre-trained models for applications such as helmet detection and product defect detection. New hardware platforms planned include the VIA SOM-9X70 and VIA VAB-970 featuring the MediaTek Genio 700 processor and the VIA ARTiGO A912 system featuring the MediaTek Genio 700 processor.

(5) x86 Processor platform and Chip

1. X86 server all-in-one core logic chipset
2. Multi-core SoC focusing on multimedia and graphics performance

VIA Labs

- USB4 Device controller and USB4 hub controller
- Optimize USB 3.2 hub controller
- Optimize DisplayPort Alt-mode controller
- Optimize USB PD UFP controller
- Optimize USB Audio controller
- USB PD Single/Multi-Port controller
- USB Type-C/DP to HDMI protocol converter
- USB Type C MST hub
- Re-driver signal conditioning controller
- Mux and Re-driver
- E-marker with EPR support

VIA Next

- IC design and manufacturing in advanced processes
- Advanced 2.5D, 3D packaging; chiplet heterogeneous integration package development
- High-power consumption, high-complexity chip design and development
- Product development process and technology applied to high-performance computing, automotive, and AI

1.2. Industry Overview :

1.2.1. Current status and market trend :

VIA Intelligent Automotive Solutions

With the VIA Mobile360 Heavy Equipment Safety System, VIA Mobile360 Forklift Safety System, and the VIA Mobile360 Construction Equipment Safety System, VIA is targeting key segments of the industrial safety system market.

According to the research consultancy MarketsandMarkets, this market is expected to grow from US\$6.3 billion in 2022 to US\$8.8 billion in 2027 at a CAGR of 6.8%. Key trends driving this growth include stricter government safety regulations, increased demand for automation to increase efficiency and address labor shortages, and the growing adoption of IIoT (Industrial Internet of Things) sensor and wireless technologies enabling the real-time capture of rich operational data for analysis on the cloud. The emergence of AI-powered people, object, and hazard detection and recognition technologies is another key factor that is accelerating market development.

With the VIA Mobile360 Heavy Equipment Safety System, VIA has built a strong leadership position in the segment covering the massive vehicles and machinery used in mining, excavation, construction, road building, agriculture, manufacturing, and ports and harbors. After successful initial deployments in North and South America, the system has received widespread market acceptance and is poised to roll out at scale in 2023 and beyond.

Following its launch in 2021, the VIA Mobile360 Forklift Safety System has achieved growing global adoption by leading enterprises across industries as diverse as petrochemicals, ports, food and beverages, and manufacturing for a wide variety of operational safety and materials handling applications. Worldwide deployments are expected to accelerate as VIA continues to enhance the system to meet emerging customers and boost sales, marketing, and distribution activities in the highly promising US, China, and Japan markets.

The introduction of new models of the VIA Mobile360 Forklift Safety System and VIA Mobile360 Construction Safety System optimized for small form factor vehicles such as mini-forklifts and skid steers will further drive market demand.

With the VIA Mobile360 D700 AI Dash Cam and VIA Mobile360 M800 Video Telematics System, VIA has established a strong position in the global video telematics market and achieved significant design wins with leading industry brand names in Japan and North America.

According to a recent IndustryResearch report, the global video telematics market was valued at just over US\$1 billion in 2022 and is projected to reach approximately US\$3.4 billion by 2028 at a CAGR of 22.78%. As the market grows, we expect to see further momentum for the VIA Mobile360 D700 AI Dash Cam and VIA Mobile360 M800 Video Telematics System.

VIA Intelligent Industrial Solutions

The global transition to intelligent manufacturing is accelerating. According to the analyst firm Verified Market Research, the market is projected to grow at a 12.9% CAGR from US\$327.12 billion in 2022 to US\$863.48 billion in 2030. Manufacturers throughout the world are integrating IIoT and predictive AI technologies to enhance product quality, reduce waste, boost safety, minimize environmental impact, and maximize efficiency.

Following successful deployments of its visual inspection and safety inspection solutions by enterprise customers in the petrochemical, semiconductor, and manufacturing sectors in Taiwan, VIA is stepping up the development of standardized intelligent industrial systems that can be deployed at scale across diverse industry verticals at scale with minimum customization, starting with the VIA FireWatch 365 smoke/fire/gas leakage detection system in 2023.

VIA Intelligent Building Solutions

VIA Intelligent Building Solutions has continued to strengthen its leadership position in the Taiwan market for smart access control and security systems for residential and commercial real estate developments. With its ability to provide highly integrated solutions that can be customized to meet specific building installation requirements, the division has carried out over 100 residential construction projects in Taiwan and expects demand to grow in the future as intelligent security and monitoring systems become an integral feature of new residential and commercial complexes.

VIA Intelligent Edge Solutions

The market for Edge AI systems and devices for processing IoT and camera sensor data is expanding due to the growing number of use cases that are emerging in the industrial, commercial,

retail, medical, logistics, and mobility segments for applications ranging from safety inspection and defect detection to access control and vending machines. According to Transparency Research, the global Edge AI market is projected to grow from US\$5.6 billion in 2023 to more than US\$76 billion in 2031.

We are addressing growing demand for low power, high-performance intelligent edge systems with a full range of VIA SOM-9X Series platforms based on MediaTek Genio processors. Following strong adoption of these platforms in Japan, we are stepping up promotion for them in the US, Europe, and other countries. The introduction of the VIA LenZ Edge AI software development framework will give VIA Intelligent Edge Solutions a strong competitive edge in this fast-growing market place.

x86 Processor platform and Chip

Our mainstream 16nm x86 4-core/8-core SoC processor supports multiple Microsoft Windows and Linux operating systems, and is suitable for commercial office desktop PCs, notebooks, thin clients, and all-in-one computers. It has been adopted by many OEM/ODM customers, which are shipping in large quantities, and is expected to remain one of the main products sold in 2023.

VIA Labs

USB Type-C has become the primary interface for power, video, and high-speed data transmission for nearly all branded laptops, tablets, and most new Android smartphones. The rapid growth and new connectivity potential of USB Type-C products has driven demand for a new ecosystem of next-generation peripherals and related products. The USB PD 3.1 specification enables new device capabilities and offers a highly efficient charging experience. Moreover, on October 4th, the European Union gave final approval for EU countries that before the fall of 2024, USB Type-C charging ports will become mandatory for small and medium-sized electronic devices, such as smartphones, tablets, digital cameras, earphones, portable game consoles, and e-book readers. The USB PD charging market for smart devices and consumer electronics is expected to achieve steady growth. During 2021 and 2022, industry leaders such as Apple, Intel, and AMD have all introduced integrated USB4 functionality in mobile chipsets and some desktop platforms. Developing USB4-related technologies is a clear industry trend. Industry leaders will make strong efforts to build and adopt USB4, which will drive the next generation of high-speed interfaces into the new era.

VIA Next

In response to the surge in global semiconductor demand and due to geopolitical considerations, many countries have increased investment and technology development in advanced chips. However, due to the extreme shortage of various key production capacities and the limited human resources for design and development, design services companies are in high market demand. In particular, VIA Next has long-term experience in technology development and chip mass production. It can provide customers with advanced, high-complexity, and high-quality product design and development capabilities, plus a diverse operating model that can meet diverse customer product development technology needs. The long-term and stable cooperative relationship of supply chain partners can provide valuable design service capabilities in today's semiconductor industry.

1.2.2. VIA advantages overview :

(1) VIA Intelligent Automotive Solutions

- VIA Intelligent Automotive Solutions provides the most comprehensive range of industrial safety and video telematics systems in the market spanning the heavy equipment safety, forklift safety, and commercial fleet management segments.
- VIA Intelligent Automotive Solutions are based on the deepest and most scalable platform on the market combining advanced collision avoidance, driver behavior monitoring, people detection, object detection, and object recognition algorithms with seamless cloud

integration using the VIA Fleet Cloud Management Portal and VIA WorkX Cloud Management Service.

- Cutting-edge camera and radar sensor fusion technology enables new market opportunities in mining, construction, and agriculture by enabling 24/7 operation of high-value machinery in all lighting and weather conditions.
 - VIA's rich experience and expertise in embedded and rugged system design ensures world class quality and reliability for VIA Intelligent Automotive Solutions across a broad spectrum of form factors ranging from the VIA Mobile360 D700 AI Dash Cam to the highly ruggedized VIA Mobile360 Heavy Equipment Safety System.
- (2) VIA Intelligent Industrial Solutions
- VIA Intelligent Industrial Solutions are based on a highly scalable platform comprising proven pre-trained AI/ML models for visual and safety inspection, secure enterprise network connectivity, a rich MLOps framework and toolset, and flexible edge processing hardware sets that can be customized to meet specific installation requirements.
 - VIA Intelligent Industrial Solutions have been successfully deployed by leading petrochemical, semiconductor, and manufacturing enterprises for a wide variety of visual inspection and safety applications and delivered proven reliability and performance.
- (3) VIA Intelligent Building Solutions
- VIA Intelligent Building Solutions provide a highly scalable platform featuring a rich array of smart access control and monitoring systems for residential and commercial buildings that can be rapidly optimized to meet specific deployments.
 - With over 100 successful projects in Taiwan, VIA Intelligent Building Solutions have established a leadership position in the market.
- (4) VIA Intelligent Edge Solutions
- With over two decades of experience and expertise in silicon and embedded board and system design, VIA has a unique ability to develop ultra-reliable and high-performance AIOT and Edge AI platforms powered by processors and SoCs from leading vendors including Qualcomm, Intel, and MediaTek.
 - VIA has a proven track record in providing embedded platforms and systems to the world's leading OEMs for a wide variety of healthcare, industrial, fleet management, and automation systems requiring world class reliability, quality, and performance.
- (5) x86 Processor platform and Chip
- Due to their ultra-low power consumption and reduced cooling requirements, VIA x86 processors are well suited for mainstream digital entertainment, productivity, networking, and embedded applications that require reliable, quiet operation from compact designs.
 - The high level of integration in VIA chipsets limits the need for additional add-on chips by system builders enabling simpler board layouts with more room for additional onboard applications by system builders - reducing overall complexity and cost.
- (6) VIA Labs
- SuperSpeed USB 5Gbps/10Gbps/20Gbps/40Gbps Controller
With the challenges of the 5G digital era, the amount of data processing has increased sharply, and the demand for USB high-speed transmission technology has reached a peak. After the USB-IF Association launched the latest specification, the high-speed USB chips are divided into 5Gbps/10Gbps/20Gbps/40Gbps, not only for personal computers but also various mobile devices, VR, and other related products and electronic equipment. The functions keep up with the times and can handle today's huge volumes of image and data traffic.
 - USB4 Controller
As the USB-IF Association announced the USB4 2.0 specification in October 2022, the transmission speed has been increased from 40Gbps to a maximum of 80Gbps. Unlike the SuperSpeed USB specification, the USB4 1.0 specification is compatible with the USB Type-C interface. VLI has also invested in New product development for USB4 2.0. VLI is the first manufacturer in the market to launch USB4 device-side controllers besides Intel. In

addition to proving its leading research and development capabilities in the industry, it can also grasp the business opportunities of pioneers.

➤ USB Type-C Controller and USB Power Delivery Controller

The European Union announced its Common Charger law requiring mobile devices such as e-readers, smartphones, and tablets to adopt USB-C for charging by 2024. The law also covers portable electronics such as computer keyboards and mice, digital cameras, and handheld video game consoles. Rapid market growth for USB Type-C and USB PD controllers is anticipated due to the new law. With the release of the USB Power Delivery 3.1 specification, the maximum charging rate of USB Type-C has been increased from 100W to 240W. It is anticipated that USB PD 3.1 will be adopted in the gaming and portable workstation markets, where the new higher power capabilities will support more powerful CPUs and GPUs. VLI has launched a chip that supports USB PD3.1 to take advantage of the transition.

➤ DisplayPort (DP) to HDMI Protocol Converter

DisplayPort and HDMI are the mainstream video specifications in the industry. After VESA, which established the DisplayPort specification, announced the specification of DP Alt-Mode on USB Type-C in 2014, DisplayPort specification began to tie up with USB Type-C. Now, most USB Type-C peripherals and docking stations support DP Alt-Mode. According to the USB4 specification, the Tunneling Mode in DP is the standard specification for USB Host and USB4 Hub. This specification further accelerates the industry to adopt the DisplayPort technology. After launching a DP1.4 to HDMI2.0 Protocol Converter, VLI also launched a new DP1.4 to HDMI2.1 Protocol Converter that enables support for 8K and high refresh-rate 4K output for today's high-end TVs and screens.

(7) VIA Next

➤ Design for Manufacturing

Based on the evaluation of product performance, power consumption, and cost, the selection of wafer foundries and manufacturing processes, as well as packaging design services, will consider the evaluation and review of chip architecture and circuits, process optimization, and cost optimization. Testing services such as WAT/CP/FT/SLT-related tests, yield analysis, product reliability HTOL/EFR operation, and testing reports will be taken into account. When the customer's product enters the mass production stage, capacity coordination and allocation, production, and supply chain management will be managed by dedicated personnel.

➤ Design for Testing

With the strong capabilities of VIA NEXT in DFT, structured, and automated testing methods, VIA NEXT can assist customers in smoothly detecting any defects in chip designs to ensure that their products meet quality requirements and industry standards when they hit the market. Utilizing Logic ATPG & logic/memory BIST DFT testing schemes, Timing and power aware ATPG development, Stuck-at, functional, and speed fault coverage reports, fault coverage analysis and optimization, as well as proprietary embedded DFT circuits and exclusive internal visualization analysis platforms, VIA NEXT achieves more accurate fault analysis and improves yield rates. This enables meeting customers' requirements for fast product analysis and high quality.

➤ Design for System

Products must be considered as a whole from the perspective of terminal applications. Chip-package-system collaborative development is the key to the beginning. The team of VIA NEXT has accumulated more than 20 years of experience and is proficient in this way. It is solid in pre-evaluation, signal simulation, and simulation work. Cost optimization, with software development and integration strength, system collaboration verification, reducing product revision cycle, satisfying customers' pre-plan evaluation and accurate one-step, so as to save costs and speed up product launch time.

1.2.3. VIA Market trend and competition analysis :

A. Intelligent automotive solutions market

VIA Intelligent Automotive Solutions are designed to address key segments of the industrial safety system and video telematics markets, including heavy equipment safety, forklift safety, and commercial fleet management.

Heavy Equipment Safety

The global mining, aggregates extraction, construction, and agriculture industries are accelerating the adoption of ruggedized heavy equipment safety systems featuring advanced people, object, and hazard detection and cloud management technologies to achieve the following objectives:

- Enhance operational and vehicle safety to reduce accidents, staff injuries, equipment downtimes, and insurance and healthcare costs.
- Meet increasingly strict health and safety legislative and regulatory requirements.
- Boost productivity through increased automation.
- Improve employee retention by reducing stress caused by challenging working conditions, including dust, noise, and heavy vibration.
- Extend ROI on existing equipment purchases.
- Mitigate environmental impact.

Given the complexity of designing and manufacturing ruggedized solutions that can be deployed on massive vehicles and machinery and deliver reliable 24/7 operation in hot, dusty, and vibrating operating conditions, there is limited competition in the heavy equipment safety system market. The key to driving growth and achieving scale is optimizing deployment across all types of vehicles utilized by customers in the mining, extraction, construction, and agriculture industries.

Forklift and Construction Equipment Safety

As a result of the pivotal role that forklifts and other industrial vehicles play in warehouse, industrial, and construction operations for logistics and materials handling applications, enterprises are stepping up the deployment of smart industrial safety systems featuring people detection, driver behavior monitoring, and cloud management technologies to increase safety and efficiency by:

- Preventing forklift pedestrian accidents and reducing staff injuries and related insurance and medical costs.
- Detecting forklift operator attentiveness, fatigue, and risky behaviors to avert safety incidents and boost operator wellbeing and performance.
- Monitoring forklift location, utilization, and operator behavior over the cloud to boost productivity and identify potential safety risks.

As enterprises accelerate their digital transformation initiatives to boost operational and efficiency, the potential of the forklift and construction safety system market is huge. Having established technology and product leadership in this new market, we have built a powerful platform for generating rapid future growth with the VIA Mobile360 Forklift Safety System and VIA Mobile360 Forklift Safety System.

Video Telematics

The commercial fleet management industry comprises operators of a diverse range of goods and passenger services, ranging from trucking and haulage to buses and coaches. After decades of investment in basic telematics technologies such as GPS for tracking vehicle location, the industry is upgrading its fleets with video telematics systems that enable the real-time capture, processing, and analysis of rich video, vehicle, and driver data using AI and the cloud. The installation of these systems provides operators with significant benefits, including:

- Greater operational efficiency through real-time vehicle tracking over the cloud.
- Reduced accidents and insurance costs through AI-powered collision alerts and automatic recording of dangerous incidents.
- Enhanced driver performance and wellbeing through AI-powered detection of fatigue, distraction, smartphone usage, and smoking.

- Deeper operational and strategic insights through analysis of rich vehicle utilization, fuel consumption, route tracking, and driver behavior on the cloud.

By providing comprehensive system design, manufacturing, and customization services to the leading video telematics players in all major markets, we are set to strengthen our presence in the global market.

B. Intelligent industrial solutions market

Global Manufacturing enterprises are boosting investment in the deployment AI, ML, IIoT, cloud, edge perception, predictive maintenance, and automation technologies across their operations for the following purposes:

- Improve product quality and reduce waste using automated visual inspection processes that detect defects more accurately and quickly than humans.
- Enhance staff safety using automated visual inspection processes that make sure employees are wearing the right protective gear before entering production facilities.
- Prevent accidents caused by faulty equipment and smoke, fire, and gas leakage using automated visual inspection and predictive maintenance processes.
- Reduce staffing requirements by replacing manual processes with automation.
- Minimize environmental impact and work towards achieving long-term sustainability objectives through more precise measurement and utilization of raw materials, energy, and other inputs.

With much of the world's manufacturing taking place in Asia, we see particularly compelling opportunities for sales growth in Taiwan, China, Japan, and other markets in the region. High potential sectors include petrochemicals, semiconductors, construction materials, textiles, and electronics.

C. Intelligent building solutions market

The market for intelligent building solutions in Taiwan is expanding as an increasing number of residential and commercial property developers integrate smart access control, alarm, and video intercom systems into new properties in order to:

- Enhance building security by preventing intrusions and theft.
- Offer residents greater peace of mind.
- Boost attractiveness of the property.
- Provide a connected platform for delivering value-added services to residents.

By providing a highly scalable platform that can be customized to meet specific installation requirements, VIA has a strong competitive edge in the Taiwan intelligent building solutions market.

D. Intelligent edge solutions market

The intelligent edge solutions market comprises multiple categories of systems and devices that run AI applications such as facial, object, gesture, and motion recognition in retail, commercial, medical and industrial environments. Common examples include,

- Smart access control systems that enable contact-free check-ins at offices, residential buildings, and medical clinics using facial recognition and biometrics data.
- Smart vending machines that enable contact-free product purchases and payments using facial recognition, biometrics data, and automated payment systems.
- Smart retail systems for tracking store footfall, monitoring customer purchase intentions, and delivering customized promotional offers.
- Smart visual inspection systems for detecting defects in products, packaging, equipment, and plant.
- Smart safety inspection systems for ensuring people are wearing the appropriate PPE clothing and equipment.
- Smart security systems for detecting potential intruders.

The global edge computing market is projected to increase from US\$36.5 billion in 2021 to \$87.3 billion by 2026, according to the research firm MarketsandMarkets. To address this emerging growth opportunity, we are focused on the development of flexible feature-rich platforms that can be easily optimized for multiple applications and use cases.

E. x86 Processor platform and Chip

- VIA processors deliver significant performance in industry-leading power and thermal profiles, and boast idle power as low as 0.1 watts, and helps embedded device manufacturers develop applications with fast return, high performance and low power consumption, such as retail terminals, game equipment, digital signage, industrial control/automation, storage devices and network security.
- VIA chipsets include high performance solutions with the latest PCI Express connectivity, many of which provide rich multimedia functionality through their integrated graphics cores.

1.2.4. VIA Labs IC design services trend and competitive analysis

VLI launched the world's first USB4 endpoint device control chip VL830, which is the crystallization of the R&D team's experience in developing USB Type-C, USB PD, and USB 3.2 technologies, and our leading position in the industry. This chip adopts a more advanced process and is compatible with more protocols, so it has a higher technical threshold. The investment and manpower will inevitably test the research and development and various comprehensive capabilities of other USB manufacturers, actively deploy the future market, and continue to develop high-end products and diversified product layouts.

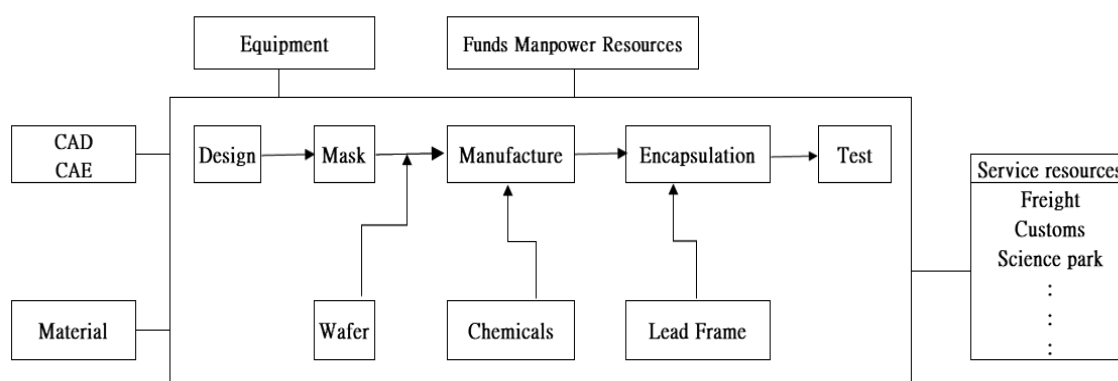
1.2.5. VIA Next IC design services trend and competitive analysis

Today, with the rapid development of artificial intelligence, big data, cloud computing, heterogeneous computing and other market applications, along with the miniaturization of the manufacturing process, the design and production of chips requires longer time and higher costs. The method of shrinking to improve chip performance and density can no longer fully meet the needs of the times. According to Omdia data, the global chiplet market is expected to reach US\$5.8 billion by 2024 and grow to US\$57 billion by 2035. VIA Next has helped customers to complete the chiplet design in 2022, and the customer's chiplet products are expected to be available in the market in 2023. The chiplet products currently on the market are all the results of the self-development of various major manufacturers. At present, there are many different chiplet interconnection technologies in the semiconductor industry, resulting in a fragmented chiplet ecosystem. The UCle standard aimed at breaking barriers has been formulated in March 2022, and VIA Next has joined the UCle (Universal Chiplet Interconnect Express) Consortium in December 2022.

1.2.6. Industry upstream, midstream and downstream correlation :

According to the classification of the value chain by the Taiwan Stock Exchange for the artificial intelligence industry, the value chain of the AI industry can be divided into three levels: "computing resources," "core technology," and "applications and services." "Computing resources" provide computing services for data retrieval, storage and processing. "Core technology" is developed based on various algorithms such as quantitative methods, statistical models, and biomimetic simulations, providing algorithm tuning, model construction, and other services, including natural language processing, machine learning, text/voice/image recognition, and computer vision. "Applications and services" utilize AI technology to develop products or services based on specific application domains or provide necessary support services. VIA Technologies is a supplier of AI applications and services that uses self-developed core AI technologies such as machine learning and computer vision to provide solutions in four major domains: smart transportation, intelligent industry, smart buildings, and intelligent edge.

The upstream, midstream, and downstream relationships of Taiwan's IC industry can be roughly classified as upstream IC design companies, midstream IC wafer manufacturing plants, and downstream IC packaging and testing plants.



VIA and VIA Labs belong to the upstream segment, and its main business is to design and sell products by itself. Before the final product is completed, the main processes such as photomask, wafer manufacturing, chip packaging and testing are all outsourced.

VIA Next covers all segments, providing technology development and design services for customers covering various stages of IC design, wafer fabrication, packaging, testing, and system integration development process.

1.3. Technology and R&D resource input :

(1). Annual research and development expenses :

Item	Unit: Thousand NTD; %	
	2022	2023Q1
R&D expense	1,928,797	441,414
% of Revenue	20.75%	21.56%

Note: The company's consolidated financial information.

(2). Achieved technologies and products in recent years :

VIA Intelligent Automotive Solutions

- VIA Mobile360 Heavy Equipment Safety System with SVS video and camera and radar sensor fusion functionality for preventing accidents and boosting operator situational awareness in mining, excavation, and agricultural vehicles.
- VIA Mobile360 Forklift Safety System 2PD and 3PD Packages featuring a choice of people detection and driver cameras for preventing pedestrian accidents in warehouse and industrial environments.
- VIA Mobile360 WorkX Connect Cloud enabling the real-time capture and analysis of safety alerts, vehicle usage, vehicle inspection, and driver behavior data from the VIA Mobile360 Forklift Safety System.
- VIA Mobile360 Construction Equipment Safety System 2PD and 3PD Packages featuring a choice of people detection and driver cameras for preventing pedestrian accidents on building sites.
- VIA Mobile360 M800 Video Telematics System with ADAS and DSS functionality for collision avoidance and driver monitoring in large commercial and public transportation vehicles.
- VIA Mobile360 D700 AI Dash Cam supporting ADAS and DSS functionality for collision avoidance and driver monitoring in small commercial and passenger vehicles.

VIA Intelligent Industrial Solutions

- Pipeline Weld Visual Inspection Solution
- Plastic Bag Stitching Visual Inspection Solution
- Wafer Weld Visual Inspection Solution
- Raw Material Carbon Black Defect Detection
- Production Line Filter Defect Detection
- Smoke/Fire/Gas Leakage Detection Solution

- Worker PPE Visual Inspection Solution
- PPE Class 2 and 4 Visual Inspection Solution

VIA Intelligent Building Solutions

- VIA Smart Access Control Security Management System
- VIA Smart Video Intercom Security System
- VIA Smart Home Automation Tablet
- VIA Smart Video Alarm System
- VIA Smart Kiosk
- VIA Smart Self-Service Payment Machine

VIA Intelligent Edge Solutions

- VIA SOM-9X12 module
- VIA SOM-9X35 module
- VIA SOM-9X50 module
- VIA AMOS-3007 system
- VIA EPIA-M930 board

x86 Processor platform and Chip

- 16nm 8-core server processor
- 16nm 4-core/8-core X86 processor SoC
- I/O expansion chipset

VIA Labs

- Next-generation VL108 DP Alt-Mode controller, supporting USB PD3.1 EPR 240W
- Next-generation VL605 USB Type-C / DP1.4 to HDMI2.1 Protocol Converter
- Next-generation VL171 optimized Insertion Loss controller, supporting 10Gbps 6:4 Mux
- USB Type-C DFP controller with enhanced function and lower power consumption
- USB4 device controller, featuring built-in USB3.2 hub and DisplayPort 1.4a 4-Lane output

VIA Next

- Design and development services for advanced process processor chips used in desktops, notebooks, and servers

1.2.5. Short term and long term business plan :

1. Short term

(1) VIA Intelligent Automotive Solutions

- Expand the VIA Mobile360 system family to meet diverse customer needs in the video telematics, forklift safety, and heavy equipment safety markets.
- Enhance the functionality of the VIA WorkX Cloud Management Service to meet enterprise customer demand.
- Accelerate global sales, marketing, and business development activities to boost awareness and demand for VIA Intelligent Automotive Solutions.

(2) VIA Intelligent Industrial Solutions

- Optimize the scalability of VIA Factory AI Visual Inspection and Safety Inspection Solutions to expand market reach by facilitating deployment across multiple industrial verticals.
- Boost sales, marketing, and business development activities to generate greater awareness and demand for VIA Intelligent Industrial Solutions.

(3) VIA Intelligent Building Solutions

- Enhance the functionality and scalability of the VIA Intelligent Building Solutions platform to increase market competitiveness.
- Step up sales, marketing, and business development activities to drive higher market demand.

(4) VIA Intelligent Edge Solutions

- Develop next-generation platforms to meet emerging Edge AI device requirements for commercial, industrial, and consumer applications.
- Expand global sales, marketing, and business development initiatives to boost awareness and demand for VIA Intelligent Edge Solutions.

- (5) x86 Processor platform and Chip
 - Develop a new 16nm 8-core x86 processor architecture with integrated AI acceleration with to provide an affordable, high-performance platform.
 - (6) VIA Labs
 - Work closely with outsourced key manufacturers to accurately plan production capacity and effectively control costs.
 - Integrate company resources, improve and simplify processes, and improve operational management efficiency.
 - (7) VIA Next
 - Develop 7nm, 6nm and other advanced process chip development and design technology.
 - Enhance strategic partnership and capacity assurance with supply chain partners.
2. Long term
- (1) VIA Intelligent Automotive Solution
 - Expand our range of VIA Intelligent Automotive Solutions by introducing new models of the VIA Mobile360 Heavy Equipment Safety System and VIA Mobile360 Construction Safety System to support different vehicle types and use cases.
 - Optimize our leading-edge camera and radar sensor fusion technology for demanding mining, construction, and agricultural vehicle safety applications.
 - Enhance the functionality of the VIA Mobile360 Forklift Safety System and the VIA Mobile360 WorkX Connect Cloud Management Service to meet enterprise customer needs.
 - Build up dedicated global distribution and system integration channels for the VIA Mobile360 Forklift Safety System, VIA Mobile360 Construction Equipment Safety System, and the VIA Mobile360 Heavy Equipment Safety System to expand market reach and penetration.
 - (2) VIA Intelligent Industrial Solutions
 - Optimize the scalability, usability, and security of the VIA Intelligent Industrial Solutions platform.
 - Simplify the integration of VIA Intelligent Industrial Visual Inspection and Safety Inspection Solutions in existing manufacturing operations and IT infrastructures.
 - Introduce standardized systems that can be deployed across multiple industries with minimal customization.
 - Expand distribution and system integration channels to increase market share.
 - (3) VIA Intelligent Building Solutions
 - Enhance the scalability, functionality, and security of the VIA Intelligent Building Solutions platform to boost market reach and competitiveness.
 - Develop platform-as-a-service cloud and application solutions for smart residential and commercial buildings.
 - Boost partnerships with broadband operators and expand sales, marketing, and business development activities to drive higher demand in Taiwan and overseas markets.
 - (4) VIA Intelligent Edge Solutions
 - Accelerate the development of next-generation platforms and systems to meet emerging requirements for the commercial, industrial, and consumer Edge AI markets.
 - Optimize the AI functionality and performance of SoC platforms from leading silicon providers such as MediaTek to enhance market differentiation.
 - Build a comprehensive VIA LenZ framework featuring rich software development tools and sample pre-trained models to enable customers to accelerate Edge AI system prototyping and manufacturing.
 - Increase global sales, marketing, and business development initiatives to boost brand awareness and customer demand.
 - (5) x86 Processor platform and Chip
 - Develop x86 server platform products with high integration, high DRAM capacity, high I/O expansion, multi-core, and high economic benefits.
 - Develop new GPU architecture core with ultra-low power consumption for thin notebook computers.
 - (6) VIA Labs IC Design

- Continue increasing the market share of the company's electronic products by leveraging VLI's unique design flexibility by implementing the latest USB Standards, expanding cross-domain coverage in data, video, and power-related functions within USB Type-C products, and providing products featuring higher levels of integration as market segments mature. The USB-IF has launched USB4, and the industry is accelerating the development and adoption of USB4-related solutions. The USB Type-C ecosystem will continue to grow, and VLI will continue actively participating in technical organizations and standards bodies that define and publish technical specifications. Through this participation, VLI hopes to grasp technological trends and market changes to strengthen the breadth and depth of the product lines and meet emerging user needs.
 - Develop technology partnerships with suppliers of electronic components used in power supply solutions as used by USB PD technology.
 - Draw up long-term and short-term plans to map out the company's future business direction, thereby enhancing product competitiveness.
- (7) VIA Next IC Design Services
- Design and development of automotive chips in compliance with automotive regulations.
 - 2.5D, 3D chip packaging development.
 - Technology development and support team building in China.
 - Member of Industrial Standard Technology and Qualification Partner of the Design Center Alliance.

2、Market, Production, and Sales Outlook

2.1. Market analysis：

2.1.1. Local and worldwide sales ratio：

Unit: Thousand NTD; %

Region \ Year	2021		2022	
	Sales	Ratio	Sales	Ratio
Local	2,093,263	30%	3,547,889	38%
worldwide	4,907,872	70%	5,748,743	62%
Total	7,001,135	100%	9,296,632	100%

Note: The company's consolidated financial information

In 2022, due to the demand for customer processors and the steady growth of sales of VIA smart vehicle solutions, VIA sales revenue will increase. In addition, VIA Next 's chip back-end design and production services also set a new record in sales growth due to the fever in the semiconductor fever in the first half of the year.

2.1.2. Market summary：

(1) Intelligent solutions market demand

The proliferation of AI, sensor, connectivity, and cloud technologies combined with the acceleration of enterprise digital transformation initiatives aimed at increasing productivity, safety, and competitiveness is sparking rapidly growing demand for intelligent solutions across all industries. As a result of these trends, the intelligent safety systems, video telematics, intelligent manufacturing, and Edge AI market are projected to record aggressive growth over the next five years.

● Market and application

A. VIA Intelligent Automotive Solutions

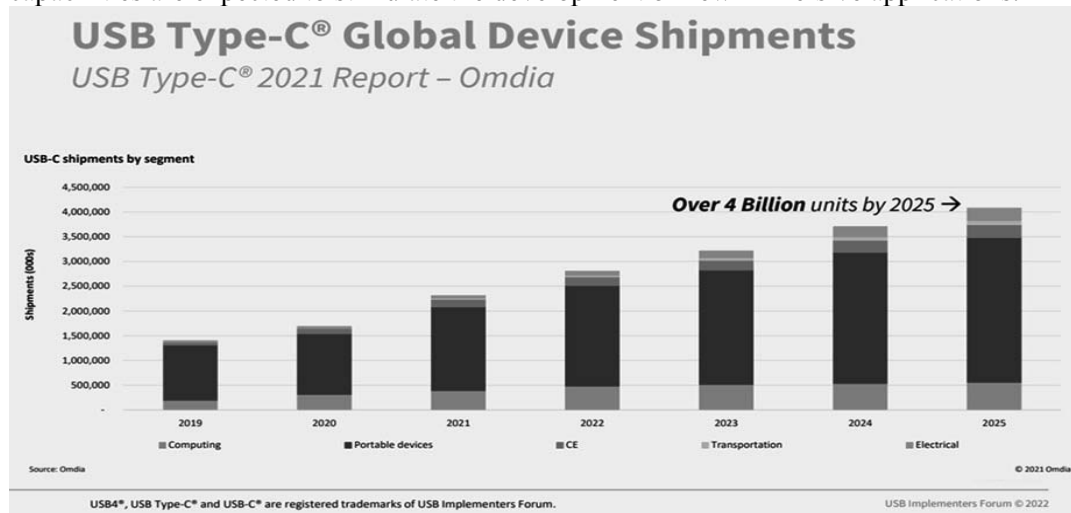
With our rich portfolio of VIA Mobile360 systems, VIA has built a strong foundation for rapid future growth in all three core segments of the intelligent automotive solutions market: heavy equipment safety, forklift safety, and video telematics.

- **Heavy Equipment Safety:** With its breakthrough camera and radar sensor fusion technology and ultra-reliable ruggedized design, the VIA Mobile360 Heavy Equipment

Safety System has attracted strong interest from leading aggregates extraction and construction companies in the US and has successfully completed initial deployments. As mining, aggregates, and construction industries step up investments in new automation and collision avoidance technologies to boost operational efficiency and safety, we expect to see greater adoption of VIA Mobile360 Heavy Equipment Safety System in 2023 and beyond.

- **Forklift and Construction Equipment Safety:** Following its launch in 2021, the VIA Mobile360 Forklift Safety System has attracted growing demand from enterprise customers operating in industries as diverse as petrochemicals and food and beverages for deployment in warehouse and industrial facilities. As enterprises accelerate digital transformation initiatives to boost the safety and efficiency of their production and warehouse operations, we expect to see shipments increasing this year in all key global markets. The introduction of new VIA Mobile360 Forklift Safety models as well as the VIA Mobile360 Construction Equipment Safety System, as well as continued optimization of the VIA WorkX Connect Cloud Management Service will further boost worldwide demand.
 - **Video Telematics:** VIA has built up a leadership position in the AI Dash Cam category of the video telematics market with the VIA Mobile360 D700 and has become the supplier of choice for leading players in the key Japan and North America markets with this device platform. With global market demand expected to reach US\$3.4 billion by 2028, we expect healthy growth in volumes of the VIA Mobile360 D700 and the VIA Mobile360 M800 Video Telematics System designed for larger commercial and public transportation vehicles.
- B. VIA Intelligent Industrial Solutions
- With our VIA Intelligent Industrial Visual Inspection and Safety Solutions, VIA has developed a broad spectrum of all-in-one solutions that enable enterprise customers to harness the power of AI technology to detect production and equipment defects, ensure compliance with health and safety regulations, and prevent fires and toxic gas leaks in their manufacturing plants and warehouse facilities. Having achieved positive results with initial deployments for leading petrochemical and silicon wafer manufacturers, we see tremendous potential for expanding the adoption of VIA Intelligent Industrial Solutions across multiple industries in Taiwan, China, and other markets. By standardizing VIA Intelligent Industrial Solutions packages, optimizing the supporting MLOps framework and toolset, and establishing strong system integration channels, we are building a scalable platform that will enable us to take advantage of the exciting new opportunities that are emerging in the market.
- C. VIA Intelligent Building Solutions
- The intelligent building solutions market in Taiwan is expected to grow rapidly as developers expand the integration of smart access control, video intercom, doorbell, and alarm systems in new residential and commercial properties. By providing a flexible range of solutions and strengthening relationships with real estate developers, we expect to further boost our share of this expanding market.
- D. VIA Intelligent Edge Solutions
- With our extensive range of highly integrated hardware and systems, we are well positioned to meet the growing global demand for commercial, industrial, and consumer Edge AI devices. By combining a rich software and AI application development framework with optimized compute and visual processing performance, we deliver a unique value proposition to the global market and anticipate continuous growth for VIA Intelligent Edge Solutions in Japan, Europe, North America, and other key regions.
- E. High-speed transmission and USB Type-C market
- According to the latest USB-IF report, shipments of USB Type-C equipped devices grew slightly to 2.7 billion units in 2022 and are expected to reach 3.2 billion units by 2023. Among them, products such as smartphones, laptops, tablets and docking stations will account for a higher proportion. The report also indicated that the cost of USB Type-C devices had been reduced. The price is expected to be further adjusted as the market scale expands. Numerous electronic products from all market segments (from high to low-end) have adopted the USB Type-C interface, and some aspects of the ecosystem have matured. On

October 4th, 2022, the European Union decided that in the fall of 2024, USB Type-C will be the sole specification for charging connectors for mobile electronic devices. USB Type-C will be adopted by different brands and various electronic devices, helping to rapidly unify the previously messy charging industry. Meanwhile, demand for watches and wireless earphones is expected to recover because of new buyers in emerging markets and substitutes in mature markets. It is believed that the market growth will resume in 2023. Although VR and AR adoption is currently limited by hardware technology, and the user experience and ideal usage scenarios have yet to be fully defined and optimized, as 5G technology matures, USB4 shows great potential by enabling higher video and data transmission speeds to deliver enhanced VR and AR experiences. VR products have evolved from heavy headsets tethered to PC desktops to smartphones paired with lightweight VR glasses. In the future, headsets will become lighter and handier; meanwhile, the mobile phone is already the standard personal computing accessory. It is expected that VR's popularity will increase. By building up the highway infrastructure for VR and the Metaverse, high-speed data and video transmission capabilities are expected to stimulate the development of new immersive applications.



Goldman Sachs further predicts that the music industry revenue will double by 2030 due to online streaming and will break the revenue record by exceeding US\$100 billion. As the USB4 technology becomes more popularized, it will significantly improve the convenience of multimedia transmission; in this way, more options and possibilities for consumption will be created in the future. Continual breakthroughs in USB4-related technologies facilitate functional integration with mobile devices. It is expected to drive business opportunities for upgrading existing peripheral products to take advantage of the high-speed transmission and higher efficiency of the new standards while promoting the next electronic product revolution.

(2) IC Design Services Market

The China ICCAD 2022 report covers 3,243 IC design companies, 433 more than the 2,810 in 2021 and representing an increase of 15.4%. The potential chip design service business opportunities for China chip design companies are still growing, especially for small and medium-sized or start-up companies. Due to the technological competition between the United States and China, the policy leadership of the two governments, and the huge amount of capital investment that is being made, it can be foreseen that chip design has already begun to diverge in terms of specifications, supply chains. Amid this divergence, we expect new opportunities to emerge in areas such as AI, communication, server, and other chips. The demand for advanced processes and packaging is extremely high. At the same time, due to the continuous shortage of production capacity in the short term, being able to work closely with the supply chain to ensure production capacity has become an important factor to the IC design service industry.

2.1.3. Favorable Developments, Unfavorable Factors and Countermeasures :

(1) Favorable Developments

- Despite the slowdown in the global PC and smart phone markets, we are seeing continued corporate investments in digital transformation technologies such as AI and the cloud to increase the efficiency of their logistics and manufacturing operations in order to mitigate global supply chain issues, speed up automation, and enhance market competitiveness.
- The transition to EVs and the integration of more intelligent driver assistance and driver safety features into all classes of vehicles has also made a major contribution towards Hi-Tech industry growth. As the automotive industry ramps up investments in EVs and intelligent vehicle technologies in the years ahead, mobility is expected to play a key role in boosting overall Hi-Tech industry growth over the next decade and beyond.
- The introduction of more stringent legislation and regulations mandating the installation of intelligent driver assistance and driver safety devices to prevent collisions and combat driver fatigue and distraction in the US, EU, UK, and other markets will significantly increase demand for these devices in both the passenger and commercial vehicle segments.
- The emergence of immersive new VR, AR, and related Metaverse technologies and devices promises to open up a new generation of innovative commercial, medical, educational, industrial, and consumer applications that will power long-term Hi-Tech industry growth.
- VIA has combined our deep silicon design expertise in processor, graphics, core logic, multimedia, communication, and high-speed connectivity chips with our extensive experience in developing embedded systems to capitalize on these new growth opportunities by with our highly scalable intelligent automotive, industrial, building, and edge solutions platforms featuring advanced AI, ML, and cloud technologies.
- VIA Labs has leveraged its unrivaled high-speed data transmission R&D capabilities to establish a leadership position in the USB Type-C and USB4 market.
- The demand for semiconductors has greatly increased, and customers' advanced process and packaging development technology and R&D resources are in short supply, opening up new opportunities for VIA Next to fill the gap.
- With its accumulated product design experience and expertise, VIA Next has the ability to meet customer IC design and production needs, including defining and optimizing specifications and managing the schedule, quality, and cost.

(2) Unfavorable Factors

- Although the momentum of global semiconductors in 2021 lasted through the start of 2022, the reduced market demand, inflation, and wars led to a drop in sales. The growth is not as much as expected.
- The US-China trade war and the Covid-19 threats strongly influence Global trade. The US continues to raise interest rates to fight against inflation. This causes the exchange rate of the Taiwan dollar to fluctuate against the US dollar. Consequently, the export exchange rate also continues to be affected, which may cause import cost fluctuations for key components. Therefore, we need to be more cautious about exchange rate considerations.
- As a result of COVID-19, geopolitics, US CHIPS Act, and the continuation of the US-China technological war, countries are increasingly seeing semiconductors as strategic materials. From the CHIPS Act to the CHIP 4 Alliance initiative, Taiwanese factories receive fewer resources from China and the US than before. IC design companies and wafer foundry manufacturers will face more restrictions on their business in the China market.

(3) Countermeasures

- Boost mid-to-long-term competitiveness through continuous planning for digital transformation and by upgrading technology and information, and logistics processes will be the key winning strategy.
- Improve operational efficiency to enhance cost-effectiveness and strengthen profitability. In response to changes in consumer behavior and concerns about future market instability, our customers will become more and more demanding about investment and procurement. Therefore, we not only need to deliver competitive products but also enhance operational efficiency and planning.

- In light of growing supply chain complexity and delays, optimize material preparation planning by maximizing the tolerance and minimizing the cost risk in advance in order to increase responsiveness, ensure more stable production, and enhance logistics processes to meet customer shipping schedules as much as possible.
- Strengthen our crisis management and data-based decision-making capabilities
- Reorganize the supply chain management to strengthen supplier relationships, establish strategic relationships with key suppliers, and strengthen the ability to control costs.
- Strengthen the relationships between VIA Next and key supply chain partners to ensure close cooperation and guarantees for production capacity and schedule.
- For customers and their applications, through close cooperation with customers, minimize possible risks in the early stage of cooperation and the whole process.

2. 2 Key products application and production flow :

2.2.1. Key products application :

Name	Main applications
VIA Intelligent Automotive Solutions	VIA Mobile360 systems and devices in a wide variety of form factors supporting ADAS, DSS, SVS, PD, and radar sensor fusion technologies for myriad video telematics, forklift safety, and heavy equipment safety applications.
VIA Intelligent Industrial Solutions	Highly integrated VIA Factory AI Visual Inspection and Safety Inspection Solutions combining pre-trained AI/ML models and a rich MLOps framework and toolset with flexible edge processing hardware and secure network connectivity that enable manufacturers to boost product quality, reduce waste, and prevent accidents in their manufacturing and warehouse operations.
VIA Intelligent Building Solutions	A comprehensive range of smart access control, video intercom, doorbell, alarm, self-service payment, and signage systems for commercial and residential property developments.
IA Intelligent Edge Solutions	A growing range of systems, boards, and modules available in a rich array of configurations and form factors that accelerate the development of innovative Edge AI systems and devices for commercial, industrial, and consumer applications.
X86 processor	The X86 processor with low power consumption, high integration and high economic efficiency is the core of computer operation. The main function of the logic chipset is to connect the CPU and computer related peripherals and integrate high-performance graphics chip technology. Both are used in desktop or notebook type. Computers, or other products with computer functions.
USB IC (SuperSpeed USB/USB Type-C/USB PD/Display Port to HDMI Signal Converter)	<p>USB (Universal Serial Bus) transmission-related integrated single-chip control solutions can greatly save the time of image and data transmission. Products include Host, Hub, SATA Bridge and Audio controller chips.</p> <p>The USB Type-C interface has the advantages of a single port to transmit power, data, and audio and video. Products include: DP Alt-Mode, Switch, E-Marker, Re-driver and other controller chips.</p> <p>The charging control chip supports BC 1.2, Apple 2.4A, Samsung, Quick Charge charging, USB PD, and is used in: power bank, wall charger, car charger... and other controller chips.</p> <p>The DisplayPort signal converter converts DP audio and video signals transmitted by DP Alt-mode or USB4 DP tunneling mode into HDMI signals for home audio and video mainstream. Products include: single-turn HDMI2.0, single-turn HDMI2.1, multi-turn MST Hub and other converters.</p>

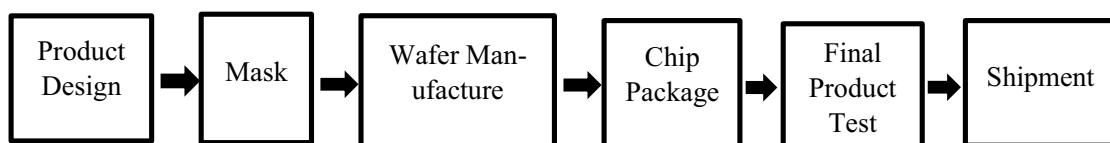
IC Design Services	Support customers in the design and manufacturing processes of IC production, packaging, testing, reliability, etc, and assist customers in the development and integration of system software and hardware
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2.2.2. Key Product Manufacturing Process :

A. Embedded system and motherboard development stage



B. The production process of IC products



2.3. Status of major material supply :

Mainly material name	Source	Supply situation
Wafer	Taiwan Semiconductor Manufacturing Co., Ltd.	Fine
Chipset substrate	Unimicron Technology Corporation	Fine

2.4. A list of any suppliers and clients accounting for 10 percent or more of the company's total procurement (sales) amount in either of the 2 most recent fiscal years, the amounts bought from (sold to) each, the percentage of total procurement (sales) accounted for by each, and an explanation of the reason for increases or decreases in the above figures:

2.4.1. Names of suppliers accounting for more than 10% of the total purchase in any of the previous two years :

Unit: thousand NTD; %

Item	2021 (Note 1)				2022 (Note 1)				2023Q1 (Note 1)			
	Company	Amount	Net ratio of annual sales (%)	Relationship with issuer	Company	Amount	Net ratio of annual sales (%)	Relationship with issuer	Company	Amount	Net purchases ratio in the current year as of the previous quarter (%)	Relationship with issuer
1	A	1,546,780	35.75	None	A	2,661,102	45.67	None	A	607,929	34.89	None
2	B	550,532	12.72	None	B	426,488	7.32	None	C	541,741	31.09	None
3	D	201	0.00	E	C	69,582	1.19	None	D	195,881	11.24	None
4	C	0	0.00	D	D	44,138	0.76	None	B	24,913	1.43	None
	Other	2,229,637	51.53		Other	2,625,093	45.06		Other	371,944	21.35	
	Net purchases (Note 2)	4,327,150	100.00		Net purchases (Note 2)	5,826,403	100.00		Net purchases (Note 2)	1,742,408	100.00	

Note 1 : The company's consolidated financial information.

Note 2 : The net purchase amount includes Wafer, packaging and testing processing and board foundry fees, etc.

Reasons for the increase or decrease: The main is new manufacturer C/D company is added to meet the production requirements of product specifications. In addition, the purchase amount and proportion have changed due to changes in the delivery date and product mix.

2.4.2. Names of customers accounting for more than 10% of the total sales in any of the previous two years :

Unit: thousand NTD; %

Item	2021 (Note 1)				2022 (Note 1)				2023Q1 (Note 1)			
	Name	Amount	Net ratio of annual sales (%)	Relationship with issuer	Name	Amount	Net ratio of annual sales (%)	Relationship with issuer	Name	Amount	Net sales ratio in the current year as of the previous quarter (%)	Relationship with issuer
1	Shanghai Zhaoxin Semiconductor Co., Ltd.	2,134,253	30.48	Substantive related party (Note 2)	Shanghai Zhaoxin Semiconductor Co., Ltd.	2,467,343	26.54	Substantive related party (Note 2)	Shanghai Zhaoxin Semiconductor Co., Ltd.	441,023	21.57	Substantive related party (Note 2)
2	Company A	1,041,740	14.88	None	Company A	1,090,230	11.73	None	Company B	375,428	18.36	None
3	Company B	0	0	None	Company B	574,553	6.18	None	Company A	143,573	7.02	None
4	Other	3,825,142	54.64		Other	5,164,506	55.55		Other	1,084,543	53.05	
	Net sales	7,001,135	100.00		Net sales	9,296,632	100.00		Net sales	2,044,567	100.00	

Note 1 : The company's consolidated financial information.

Note 2 : Since the company lost significant influence on Shanghai Zhaoxin Semiconductor Co., Ltd. in March 2021, it stopped using the equity method for the company. From March 2021, the relationship between the company and Shanghai Zhaoxin Semiconductor Co., Ltd. was change from Affiliated enterprises to substantial related parties. In addition, the company will conduct re-election of directors in March 2023, and the merged company has no substantial relationship with the above-mentioned companies from that date.

Reasons for the increase or decrease: The mainis that VIA NEXT has added new customers, and the sales amount and proportion have changed due to changes in customer needs and product mix.

2.5. Production Volume and Value in the Past Two Years

Unit: thousands /thousand NTD

Production quantity / Main commodity	Year	2021			2022		
		Production capacity (Note)	Production quantity	Production quality	Production capacity (Note)	Production quantity	Production quality
IC, Intelligent product and others		N/A	192,284	3,389,932	N/A	126,214	4,520,226

Note : The company's products are produced and processed by outsourced professional OEMs, and long-term cooperative relations have been established with processing manufacturers to obtain required production capacity and unlimited.

2.6. Sales Volume and Value in the Past Two Years :

Unit: thousands /thousand NTD

Sales quantity / Main commodity	Year	2021				2022			
		Domestic sales		Export sales		Domestic sales		Export sales	
		Quantity	Quality	Quantity	Quality	Quantity	Quality	Quantity	Quality
IC, Intelligent product and others		67,040	2,093,263	100,549	4,907,872	47,273	3,547,889	86,622	5,748,743

Note : The company's consolidated financial information.

3、Employees

Employees for the Most Recent Two-Year Period：

Year		2021	2022	As of March 31, 2023
Number of Employees	Direct Labor	111	108	98
	Indirect Labor	1,153	1,153	1,109
	Total	1,264	1,223	1,207
Average Age		42.9	42.5	43.3
Average Years of Service		12.1	12.1	11.8
Education	Ph.D.	1%	1%	2%
	Masters	33%	33%	38%
	Bachelor's Degree	55%	54%	49%
	Senior High School	10%	11%	10%
	Below Senior High School	1%	1%	1%

4、Environmental Protection Expenditure

Please refer to the chapter “Part 6 Sustainable Development: 3. Environmental Efforts” of the annual report.

5、Labor Relations

Please refer to the chapter “Part 6 Sustainable Development: 1. Corporate Promise” of the annual report.

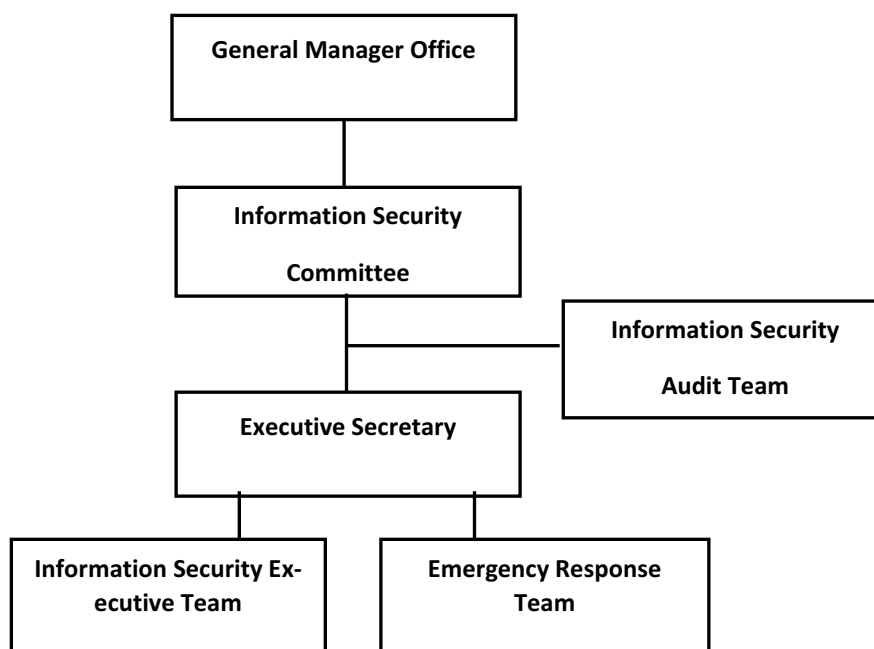
6、Information and Communication Security Management

A. Information and Communication Risk structure

(1) Information Security Governance Organization

In 2021 we established the "Information Security Management Board " to be responsible for the promotion of information security policies and meetings are held every six months periodically to exam and decide information security and protection goals and policies to ensure the implement of the effectiveness on information security management measures.

(2) Information Security Organizational Structure:



B. Information and Communication Security Policy

To practice information security management of reinforcement, ensure information, system, equipment and network security in addition to the confidentiality, integrity, usability and legality to comply with the requirements of relevant laws, regulations and contracts to protect them from internal

and external malicious or accidental threats. All colleagues should expect to work the followings together to achieve goals.

- Ensure the confidentiality and integrity of data assets.
- Ensure data access is regulated according to departments.
- Ensure uninterrupted operation of data systems.
- Prevent unauthorized modification or use of data and systems.
- Regularly perform data security audits to ensure the practice of information security.

C. Concrete management solution

(1) Networking security management and control

- Firewall management.
- Virus scan to computer and media data storage in real time.
- Monitoring each network service items and system logs in real time.
- Implement a response on treat detection service system to ensure an endpoint detection, deep level threat analysis, monitoring with event alert to fully strengthen a complete defense system on a corporate level.

(2) Data access control

- Computer equipment should be kept by a specialist and there should be an account and password as well.
- When the equipment is scrapped, confidential, sensitive information and copyrighted software should be removed or overwritten.
- Account permissions for applied systems should be requested and get approval.

(3) Disaster recovery plan

- Regularly review emergency response plans.
- Regularly rehearse system recovery every year.
- Establish a system backup plan and remote-site backup.
- Regularly review cyber security control measure.

(4) Promoting Cyber security and auditing

- Publicize security information at any time to strength employees' cyber security awareness.
- Offer classes and seminars on Information Security education training.
- Executing social Engineering plan each year on regular basis.
- Regularly execute Information and Communication Security every year and submit it to the board of directors.

D. In 2022, the company had no major cyber security incidents that led to financial losses. Continuing to meet the goals of the information security management policy, and regularly practice recovery plan rehearsal to protect the company's important systems and data security.

7、Important Contracts

Supply and marketing technical cooperation projects that are still valid and expired in the most recent year and other important contracts that can affect the rights and interests of investors :

Agreement	Counterparty	Period	Major Contents	Restrictions
Patent Licensing	Intel Corporation	From April 8, 2003	1. Authorized the use of microprocessor products. 2. Royalty payment based on agreement.	None

Part 6 、 Sustainable Development

1 、 Corporate Promise

We have always uphold to the business philosophy of "Labor-management cooperation, labor-management harmony". The employee benefits, continuing education, training, retirement system and implementation results, as well as labor agreements and measures to uphold employee rights.

【Employment】

VIA strictly complies with the Labor Standards Act, prohibits the use of child labor, and prohibits any employment discrimination based on gender, age, disability, pregnancy, race, or religion of employees. All employees are required to sign a written labor contract in accordance with the law, in the event the labor contract with employee must be terminated under special circumstances, it will be conducted in accordance with the Labor Standards Act.

【Communication with Employees】

VIA established an online platform, company policies and information can be publicly and instantly transmitted through this platform. VIA also set up an anonymous “employee feedback area” to listen to the valuable voices of employees, so that the company has chance to discover problems and actually solve them. In addition, in order to establish a smooth communication channel between employees and the Company, regular face-to-face meetings are held for employee representatives to meet with top management to discuss and deal with major issues.

【Employee Cohesiveness】

Holding year-end gathering, department gathering and Christmas party every year. Hosting hand-made present activities on Father’s Day and Mother’s Day. Establishing more than ten different clubs for employees to attend and to get to know more colleagues during club activities.

【Employee facilities】

Providing gym, parking lot and nursing room. Free afternoon snack and dinner lunch box. Massage service for employees to relax. Signing benefit contracts with nearby hospitals and nursery schools.

【Employee Safety and Healthcare】

I. Employee safety and health management

- (1) In accordance with the relevant regulations of the government’s "Emergency Medical Rescue Act", VIA has installed five sets of AED (Automated External Defibrillator) in the gym and each floor. In addition, we train certain employees as first aider in each section every year to make sure when emergency events such as someone heart beat rate has stopped suddenly in office, Currently, 23 employees have obtained emergency personnel certificates, which can effectively strengthen the company's emergency response capabilities.
- (2) In order to let employees pay more attention to their own health situation for "early detection, early treatment", VIA company regularly hold health examination every two years for all employees. In 2022, the health examination completion rate of all employees will reach 93.6%. Abnormal health examination data will be managed and tracked at different levels, and referred to professional doctors for consultation or suitable outpatient clinics, and further tracking and supervision will be carried out to improve daily habits of employees.
- (3) In accordance with the "Occupational Safety and Health Law" and "Labor Health Protection Rules", we conduct health checks every two years and use self-developed occupational safety questionnaires to investigate the occupational disasters of all employees, overview and follow-up of occupational hazards such as abnormal workload triggers heart disease, repetitive musculoskeletal disease, illegal infringement (sexual harassment and bullying) and depression, providing health protection services for colleagues to avoid occupational disasters, committed to protecting physical and mental health, and also paying attention to and caring for maternal health and other protective measures.

- (4) We have developed Covid-19 control measures to respond to Government policy and Covid-19 prevention and control measures. In 2022, the employee diagnosis rate will be 45.7%, and all confirmed employees will be mild. The company's epidemic prevention strategy has the following three characteristics:

A. Cross-team professional epidemic prevention command center: HR is responsible for convening and taking charge of the epidemic prevention management power and responsibility. A total of 9 first-level supervisors of cross-business units are established to serve as epidemic prevention committee members. Among HR, administrative, IT, PR and other executive teams conduct cross-departmental epidemic prevention meetings from time to time and standardize internal epidemic response measures. As for actual need, the committee discussed responses to the pandemic including early deployment of anti-epidemic materials, contingency response for confirmed employees, distribution of household reagents for employees and regular weekly quick screening tests and uploading to the employee platform from 5/1 to 10/31 at the peak of the epidemic, promotion of short-term diversion and WFH measures. and home education WFH measures for children under the age of 12 infected with the epidemic, epidemic prevention measures for returning to the company, health monitoring of high-risk employees, response and care in response to the diagnosis of Omicron mutant strains, visitor health management, entry-exit and business travel control, access control and environmental control, irregular epidemic prevention publicity guide to increase employees' knowledge of epidemic prevention and ensure the health of colleagues, family members, manufacturers, customers and stakeholders.

B. Intelligent technology of epidemic prevention monitoring platform: VIA uses its expertise in technology to quickly set up an platforms for employees to report body temperature and health management, all employee vaccination registration and statistics, and quick screening records, etc., to make the epidemic prevention technology intelligent grasp the information in real time and report to the epidemic prevention committee to facilitate rolling adjustment measures.

C. All employees are experts in epidemic prevention: We have drawn up the "VIA Group COVID-19 Confirmation Contingency Plan" and hope to help infected employees and their families seek medical treatment as soon as possible and provide humanized measures for confirmed employees to WFH. One thing to mention is, in addition to the epidemic prevention task force, the direct supervisors of the departments are instructed to be the frontline epidemic prevention chiefs, assist in listing close contacts, cooperate with the epidemic prevention team to assist in caring for the physical and mental health of confirmed colleagues, and properly arrange and review the work delayed due to the diagnosis, so that all employees can actively participate in the action of epidemic prevention. We not only care about confirmed employees and close contacts, but also establish a system to track the physical and mental health of employees, classify and manage high-risk colleagues, care for Long COVID, and provide instant service through telephone to ensure that employees can coping with collective anxiety and depression. For close contacts, we also respond according to the level of risk, try our best to protect the health and safety of employees and their families, and continue to strictly require all employees to cooperate with the epidemic prevention policy, and work together to maintain the normal operation of the company. According to changes in the epidemic situation, government measures, employee health and operating conditions, the epidemic prevention policy is adjusted in a moderately customized and dynamic manner, and a complete epidemic prevention safety network and employee care system are established by adhering to step-by-step epidemic prevention measures.

II. Biopsychosocial health promotion

Fulfilling the company's mission of combining innovation and caring, paying attention to the health of the whole person in employee care, providing professional physical, mental and spiritual care through different professional services, and focusing on soft power training, and striving to create a happy workplace.

- (1) Occupational medical physician: In terms of physical wellbeing enhancement and post-check consultation, we hired Director Liu of the Family Medical Department of Xindian Gengxin Hospital to provide services in VIA once a month to provide face-to-face consultation to employees for medical information, health check report, and prevention of infectious diseases and occupational injuries.

- (2) Full time psychological counselor: VIA not only established employee-friendly work environment and policies but also provide one by one care and assistance to address individual employee’s needs and issues. Such as psychological counseling, career planning, marriage counseling, workplace stress management, employee crisis management, employee assistance programs, supervisor counseling and set up sexual harassment, stalking harassment, gender equality and workplace bullying and illegal infringement complaint windows and related coordination.
- (3) Full time occupational specialist (nurse): Occupational health nurse provides health service for employees. Health Services includes general and emergent physical care, Injury classification, physical fitness testing, health check, health lectures, and health promotion activities.
- (4) Health promotion training programs: VIA firmly believes that let employees learn a variety of new things, and communicate with people from different departments of the company, so that the relationship between employees has a stronger connection, and achieve a win-win situation. In terms of health promotion training, we regularly host a variety of physical and spiritual lectures – such as the physical and mental health, weight loss program, fitness courses, latest medical knowledge, occupational hazard prevention, couples communication, CPR training, dementia care, grief healing and how to get along well with different gender and so on., a total of more than 10 training courses in each year. In 2022, a total of 6 sessions will be affected by the epidemic, with 341 employees participating.

III. Gender Equality and diversity management

The Company advocates the gender equality in the workplace, respects the differences of employees, safeguard the rights and interests of groups of gender and sexual diversity as well as ensures that employees are not discriminated against, prejudiced against or treated unfairly because of disability, gender, sexual orientation, age, background, class, politics, religious belief or race. In addition to banning child labor and employing employees of different genders and races, the company is also committed to promoting fairness in salary promotion in terms of employee retention and cultivation, actively planning diversity management (such as, formulating policies on prevention and control of sexual harassment and prohibition of illegal infringement, setting up sex equality committee, setting up anti-discrimination, gender equality and sexual harassment and bullying appeal window, maternal nursing care, conducting friendly workplace education and training on gender equality and prevention of employment discrimination from time to time, devoting to improve the cognitive correctness of all employees and ensuring the input and support of senior managers and other relevant measures), and striving to create greater compatibility for employees of different backgrounds, encourage them to embrace their differences, and move towards an inclusive and good diversity workplace culture.

Index	Percentage (%)
Ratio of women to total employees (%)	36.14%
Ratio of women in all supervisors (%)	22.02%
Ratio of women in senior executives (%)	33.33%

【Employee-family support program】

In the event of an employee's accident or critical changes in the family, we will immediately activate a complete employee-family care mechanism - to care, visit and comfort family members, establish a trusting relationship, and keep concerning their family about recent developments. If needed we also provide financial, legal and other employee assistance programs to help employee and their family. In addition, VIA has signed cooperation contracts with nearby medical institutions and kindergartens, and set up infirmary and milk collection room so that employees, family members and stakeholders can use it with peace of mind.

【Continuing Education and Training System】

A training program is drawn up annually based on employee’s nature of work. Also, VIA set up “VIA Knowledge College” to promote online learning actively to ensure that each employee has the latest and most comprehensive professional knowledge. The achievements of VIA training in 2021 are as follows:

Training	Total # of employee	# of class	Total Training Hours	Total Training Expense (NTD)
Professional Training	4,213	88	8,344	2,404,631
Leadership Training	197	23	1,311	
New-hired Training	94	49	495	
Outdoor Training	215	95	1,476	

【Employee Welfare Committee】

Company allocates revenue proportion by 「Employee Welfare Committee Organization Guideline」. The Employee Welfare Committee members are elected by each department/business group each year and are responsible for arranging Welfare Committee funds such as three-festival cash gifts, birthday cash gifts and wedding/funeral cash gifts. Moreover, Welfare Committee established a flexible welfare system in order to maximize the funds usage for all employees.

【Retirement system】

In order to stabilize the life of employees after retirement, VIA stipulates labor retirement measures in accordance with the law and set up the Supervisory Committee. In order to protect the rights of employees, VIA reserves funds 2% of the total monthly wages of its employees and deposit such amount in a designated account. Since the promulgation of the Labor Pension Act on July 1st of 2005, employees have been given the option to stay with the Old System or the New System. For employees who chose the New System, the Company makes monthly reserves of 6% of the employee's monthly wages. Employees may voluntarily deposit pension funds within 6% of their monthly salary.

VIA stipulates in accordance with the Labor Standards Law (Old System) as follows:

1. An employee may apply for voluntary retirement under any of the following conditions:

- (1) The employee attains the age of 55 and has worked for 15 years.
- (2) The employee has worked for more than 25 years.
- (3) The employee attains the age of 60 and has worked for 10 years.

2. An employer shall not force an employee to retire unless any of the following situations has occurred:

- (1) The employee attains the age of 65.
- (2) The employee is unable to perform his/ her duties due to disability.

A business entity may request the central competent authority to adjust the age prescribed in Subparagraph 1 of the preceding paragraph if the specific job entails risk, requires substantial physical strength or otherwise of a special nature; provided, however, that the age shall not be reduced below 55.

3. The criteria for payment of employee pensions shall be as follows:

- (1) The employee who is applicable to the Old System, the pension payment is calculated in accordance with Article 55 of the Labor Standards Act. However, an additional 20% on top of the amount calculated according to the preceding subparagraph shall be given to employees forced to retire due to disability incurred from the execution of their duties.
- (2) The employee who is applicable to the New System, VIA makes monthly reserves of 6% of the employee's monthly wages.

4. Receive pension payment:

VIA pay the pensions within 30 days from the day of retirement for the employee who is applicable to the Old System.

【Labor Agreements and Upholding Worker Rights】

The company are great importance to the opinions of its employees and is committed to maintaining a harmonious labor-management relationship, and complies with laws and regulations. In the last two years and as of the publication date of the annual report, the company has not had any major labor-

management disputes. Since its establishment, the company has maintained a very good relationship between labor and management, and has planned and implemented various benefits, training and development plans, and retirement systems in accordance with relevant laws and regulations and with the purpose of sharing feedback with employees. There have been any labor disputes, and relatively no losses have occurred due to labor disputes. The probability of labor disputes in the company in the next few years can be said to be very small, and it is impossible to cause losses due to labor disputes.

【Human Rights Policies】

The company's primary core value concept of integrity, committed to creating a working environment that respects human rights, dignity, and harmonious labor and capital, supports and respects international labor human rights norms, including the Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights, and the International Labor Organization-Basic Principles of Work Declaration of Rights and Rights, the United Nations Global Covenant, etc.; abide by the labor-related laws and regulations of the company's global locations, treat and respect all regular employees, contracts and temporary personnel with dignity, and implement the company's human rights policy plan.

• Execution direction :

1. Protect labor rights and freedom: Comply with the provisions of the Labor Standards Law, prohibit illegal child labor and forced labor, uphold a reasonable and equal employment relationship; establish a positive and open labor-management communication channel, listen to employees' voices and feedback, hold regular labor-management meetings or courses to promote harmonious labor-management relation.
2. Comply with the applicable salary and working hours policy: The salary review does not differ due to personal gender, age, race, religion, or political stance. Regularly participate in salary surveys every year to understand market salary levels and economic inflation status, and adjust salary Benefits to protect of employees living wage demand.
3. Advocate an equal, safe and friendly workplace: Illegal discrimination is strictly prohibited, and a friendly workplace is practiced and promoted, regardless of country, region, skin color, race, religion, gender, sexual orientation, class, wealth, education, occupation, talent selection and retention. Discrimination based on employment and age, advocating gender equality, a friendly workplace culture without harassment and bullying.
4. Provide a safe and healthy working environment: conduct regular health checks, labor safety and health education and training, fire prevention and fire training, hold pressure adjustment and health lectures, and provide exercise and fitness space; during the recent COVID-19 epidemic, we have strengthened the safe working environment and cared for employees and the health of their families, and create a safe working environment.
5. Initiate the balance of physical, mental and spiritual life: organize a variety of activities and lectures, such as: weight loss competitions, health, art, travel lectures, etc.; and respect the assembly and association of employees and encourage the establishment of various associations to enrich work and life.

The company will regularly review the effectiveness of human rights management, evaluate human rights-related systems and optimize management operations. The human rights policy will also be publicly disclosed on the company's official website at the same time to enhance the human rights awareness of employees and stakeholders, and continue to improve. (Related implementation details can refer to the ESG report.

2、Social Participation

1. The company is committed to adhering to the concept of saving energy and natural resources, realizing that environmental protection is one of the most important issues for mankind today, designing and manufacturing products that are most environmentally efficient, and encouraging employees to participate in efforts to protect the earth. It is held from time to time. Health talks, promotion of the office's energy saving and carbon reduction, efforts to recycle resources, promotion of "environmental protection", "low-carbon diet" and "environmental health" and other topics to take care of the earth.
2. VIA also care for disadvantaged groups and has held some activities:
 - Christmas charity sale in 2022: Invited a couple of disadvantaged groups to attend this charity sale, such as Autism Society of Taiwan, Gofe Association, Taiwan Foundation For The Blind, The

Garden of Hope Foundation, Daan Shelter Farm, San Love Social Welfare Association, Angel Heart Family Social Welfare Foundation , Taipei City Victory Social Welfare Foundation total fund is NT\$ 52,680.

- Supporting Chinese Christian Relief Association to host 1919 book-donating activity each year: we have provided 433 used books and the fund amount is NT\$ 900 in 2022.

3. Community Risks and Opportunities

For nearly 30 years, the Company has been adhering to implementing the philosophy and goal of “being friendly to seek good-neighborliness and creating a better society”, to promote community welfare and caring about the poor and vulnerable groups in the community, actively engaging in social assistance and charity sales, encouraging employees to take practical actions for social welfare, contribute to the community and become community citizens.

Community citizen action in 2022		
Category	Description	time
Public Benefit Activity: Blood Donation	In response to the joint blood donation campaign held once separately during every summer and winter by the Senao Technical and Cultural Education Foundation, the Company encouraged employees to donate their blood to save a life, make efforts and give back to the society.	2022.1.20 - 2022.7.12
COVID-19 community assistance	During the epidemic, the company assisted the community to disinfect and residents nearby employees' family member confirmation care and urgency assistance.	2022.4.13~2022.12.30

3、Environmental Efforts

The company cooperates with the government to implement green consumption policies and purchases products with five major labels, including environmental protection labels, energy saving labels, water saving labels, green building materials labels and carbon labels, to implement green consumption for the whole people.

【Protective measures for working environment and employees' personal safety】

1. Restriction of Hazardous Substances (ROHS) Promotion

ROHS formally took effect on July 1, 2006. Products sold to the EU must not contain six hazardous substances such as lead, cadmium, mercury, hexavalent chromium, polybrominated biphenyls and polybrominated diphenyl ethers. The new version of the new RoHS 2.0 directive (2011/65/EU) has officially entered into force on July 21, 2011, and the company's certified hazardous substance management system (QC0 80000) has also been updated. The company actively promotes green production and procurement, realized in the manufacturing process, and has cooperated with major customers to propose products that meet no hazardous substances, which has been deeply satisfied by customers.

2. Disaster prevention and emergency response measures

- (1) Formulate "Emergency Response Plan Procedure" and "Fire Protection Plan". Ensure that when major disasters such as fires and epidemics spread, all personnel of the company understand the response methods, departments and emergency response groups can follow all operations, and unified command and operation steps and directions, so as to reduce casualties and damage control the purpose.
- (2) The company has permanent full-time safety and environmental protection personnel responsible for environmental protection, safety and hygiene related business promotion and execution, and has "safety manager", "level A waste specialist", "fire protection manager" specializing in research and development and Resolve the overall company-wide environmental safety and hygiene strategy and proposals.
- (3) Conduct annual safety protection drills every six months, and hire the fire-fighting authority to cooperate in conducting fire-fighting and disaster prevention seminars and drills of fire-fighting facilities.

3. Disaster prevention plan

In order to achieve the goal of zero occupational disasters, the company draws up an annual occupational disaster prevention plan at the end of each year, and the business unit actually implements it according to the schedule and content of the plan, and then confirms the improvement of the implementation effectiveness and deficiencies through the audit system. Every three months The labor-management meeting to revise the occupational disaster prevention plan. According to the resolutions of the labor-management conference, the annual occupational disaster prevention plan is formulated, and the PDCA method is continuously used to reduce the hazard risk of the business unit year by year to achieve the ultimate goal of zero disaster.

4. Field work environment measurement

In accordance with the "Implementation Measures for Labor Work Environment Monitoring", the company commissions a qualified work environment measurement agency approved by the Labor Committee to conduct work environment measurement. Carbon dioxide (CO₂), illuminance, and organic solvents (ethanol, n-bromopropane, isopropanol) are implemented every six months.), lead (Pb), electromagnetic wave... and other working environment measurement. Relevant test data are known to colleagues in accordance with the "Measures for the Implementation of Labor Working Environment Measurements" of the Ministry of Administration, and are used as a reference for environmental improvement and energy-saving measures in various districts by the Public Works Department of the Ministry of Administration.

5. Automatic inspections

The company draws up an automatic inspection implementation plan for electrical equipment, fire-fighting facilities and operating environment, actively discovers potential hazards, and strives to improve related deficiencies and effectively control the occurrence of risks. Including the building security inspection once every two years, the fire inspection report once every six months, the annual door switch box and the maintenance and infrared thermal imaging inspection of the main switch box of the machine room on each floor 3.6.9. The improvement is the improvement of the fixed socket and the load of the power circuit to avoid possible safety hazards.

【Specific practices and results of energy-saving measures】

The company is a professional integrated circuit design company, mainly engaged in the development, design and testing of various integrated circuits. By improving the durability and efficiency of the product, it is expected to achieve the goal of maximum sustainable use of resources. In 2022 and as of the publication date of the annual report, there is no record of sanctions by the environmental protection authority due to environmental pollution and lack of waste management.

1. Environmental management performance objectives are as follows:

- Short-term goal is to comply with the relevant environmental laws and regulations and promote waste resource classification and reduction activities to achieve the original material reduction and waste reduction targets.
- Medium-term goal is to continuously improve environmental management systems and reduce impacts on the environment.
- Long-term goal is to promote employee participation and attention to energy conservation and carbon reduction and greenhouse gas reduction issues, and to uphold the concept of energy conservation and natural resources, and to work for environmental and ecological improvement.

2. The main concrete measures and achievements of environmental protection and energy saving are as follows:

- (1) Design and manufacture the most environmentally friendly products, dedicate to miniaturization and light weight of products to reduce the impact of company operations on the natural environment, promote waste sorting and resource recycling, and implement 5Rs (Reduce, Reuse, Recycle, Repair, Refuse)) Effectively reduce the amount of hazardous industrial waste removal, transportation and treatment, which will decrease year by year from 1.6 tons in 2011 to 0.2 tons in 2022, the annual CO₂ emission is reduced by 88% compared with in 2011.
- (2) In 2022, we implemented energy-saving management mechanisms such as turning off lights during lunch breaks in the office, turning off lights by security personnel on patrols at night and holidays, and applying for air-conditioning at night and holidays to reduce electricity consumption.

- (3) The introduction of energy-saving management, the installation of lamps with unmanned sensing devices in the half of the parking spaces of B2.B3 and the half of the stairs in the whole area can save 50% of the electricity consumption for lighting.
- (4) Regular annual, quarterly, and monthly maintenance operations of air conditioning equipment such as ice water main engine, ice water blower, total heat exchanger, etc., to reduce the failure rate and improve operation efficiency; and set a fixed budget every year , For air conditioning equipment with high failure rate and poor operation rate to replace the old with the new project.
- (5) The company's total electricity consumption in 2020, 2021, and 2022 is 3,237,174 kw/hr, 2,167,428, and 2,225,068 kw/hr, respectively, and CO2 emissions are 1,627 tons, 1,105 tons, and 1,135 tons, respectively. Due to the energy-saving measures in (2)~(4) above, the electricity consumption in 2022 will be saved by 1,012,106 kw/hr compared with 2020, and CO2 emissions will be reduced by about 515 tons, a reduction of 31%. However, the electricity consumption in 2021 and 2022 is significantly reduced compared to 2020, which is the result of the company's implementation of epidemic prevention employees working from home due to the COVID-19 epidemic during May- August 2021 and July- August 2022.
- (6) The company's total water consumption in 2020, 2021, and 2022 was 21,944 degrees, 17,506 degrees, and 19,876 degrees, respectively, and the total water costs for 2020,2021, and 2022 degrees is NT\$257,589, NT\$228,375, and NT\$230,556. Although the company has no process water, it still continues to promote water conservation in the office and the use of water-saving label products: two-stage flush toilets, water-saving label faucets, sensor-type flushing urinals, and water-saving promotion. The water consumption in 2021 and 2022 was significantly reduced compared with 2020, and the electricity consumption results were the same as the results of employees working at home due to the COVID-19 epidemic during May-August 2021 and July-August 2022.
- (7) The company's operating business is not a factory power consumption business, but in order to protect the environment and sustainable operation, the company continues to implement various energy-saving measures, and formulates energy-saving and carbon reduction, greenhouse gas reduction, water reduction and other waste reduction by 1% per year for the target.
- (8) The company implements the green design of non-toxic raw materials for products, and implements green procurement and management. Through products and services, we provide and assist customers with measures to reduce environmental impact and improve environmental quality. After all products fully comply with the RoHS lead-free production standard in 2006, the halogen-free process has been further adopted for all new products, and about 70% of the externally purchased components, including resistors, quartz oscillators, and inductors, are halogen-free components. The company's product packaging materials and catalogs have also been replaced with environmentally friendly materials, and environmentally-friendly recycled paper and ink have been used to reduce environmental pollution.
- (9) The company is committed to promoting environmental protection concepts and education, and continues to promote environmental-related information to employees, such as waste reduction and resource classification. It also encourages employees to participate and pay attention to various energy saving, carbon reduction and greenhouse gas reduction issues. Related measures include: catering gift box suppliers promote the use of environmentally friendly tableware to employees, promote the use of hand towels and paper cups to employees, and purchase products with environmentally friendly labels.

【Specific practices and results of energy-saving measures】

The extreme climate caused by global warming, and the influence of energy and climate change issues have become increasingly important in recent years. In order to mitigate the impact of climate change on the company's operations, the company has established an internal control system and an internal audit system, and will establish a risk management system in 2020. The method is to implement the integrated risk management of environmental, social and governance aspects of sustainable operation. It is planned to introduce the ISO 14064-1:2018 greenhouse gas inventory in 2024 and pass the third-party verification in 2026.

- Analysis and statistics by emission source type are as follows:

排放源類型		範疇 1	範疇 2	範疇 3	總排放當量
		直接排放	能源間接	其他間接	
2020 年	排放當量 (公噸CO ₂ e/年)	-	1,625.06	2.11	1,627.17
	氣體別占比(%)	-	99.9	0.1	100%
2021 年	排放當量 (公噸CO ₂ e/年)	-	1,103.22	1.82	1,105.04
	氣體別占比(%)	-	99.8	0.2	100.00%
2022 年	排放當量 (公噸CO ₂ e/年)	0.04	1,132.56	2.25	1,134.85
	氣體別占比(%)	0.004	99.798	0.198	100.00%

水資源使用量			
年度	2020	2021	2022
取水量 (百萬公升)	21.94	17.51	19.88

廢棄物處理量				單位:公噸	
廢棄物總類	2020	2021	2022	處置方式	處置位置
有害事業廢棄物	0.446	0	0.2	回收	離廠

年度	電力(度)	電力(GJ)	柴油(L)	柴油(GJ)	總能源耗用
2020	3,237,174	1,625.06	-	-	1,625.06
2021	2,167,428	1,103.22	-	-	1,103.22
2022	2,225,068	1,132.56	13.89	0.49	1,133.05

Note: 1 kw/hr of electricity is 3.6 million joules, GJ is 10⁹ joules; the calorific value of diesel oil per liter is 8,400Kcal, and 1Kcal is 4,186 joules.

Part 7 、 Financial Information

1 、 Condensed Balance Sheets and Statements of Comprehensive Income for the past 5 fiscal years, and the Accountant's Audit Opinion given thereby

(1) Condensed balance sheet and comprehensive income statement information

Condensed Balance Sheet-Consolidated

Unit: NT\$ thousand

Item	Year	Five-Year Financial Summary					As of March 31,2023 (Note)
		2018. 12. 31	2019. 12. 31	2020. 12. 31	2021. 12. 31	2022. 12. 31	
Current assets		3, 646, 662	4, 226, 252	13, 405, 915	15, 129, 132	16, 987, 161	18, 172, 732
Property, plant and equipment		2, 121, 754	2, 025, 977	2, 019, 429	1, 979, 612	1, 989, 134	1, 988, 634
Intangible assets		47, 347	29, 083	58, 025	64, 223	72, 016	70, 193
Other assets		2, 614, 774	2, 984, 993	2, 958, 681	4, 727, 983	5, 334, 036	5, 318, 470
Total assets		8, 430, 537	9, 266, 305	18, 442, 050	21, 900, 950	24, 382, 347	25, 550, 029
Current liabilities	Before distribution	1, 505, 622	3, 239, 074	3, 056, 647	4, 706, 568	7, 058, 318	8, 100, 427
	After distribution	-	-	3, 452, 164	5, 201, 918	7, 133, 070	-
Non-current liabilities		3, 040, 416	2, 054, 473	4, 810, 976	3, 044, 775	2, 767, 321	3, 254, 244
Total liabilities	Before distribution	4, 546, 038	5, 293, 547	7, 867, 623	7, 751, 343	9, 825, 639	11, 354, 671
	After distribution	-	-	8, 263, 140	8, 246, 693	9, 900, 391	-
Equity attributable to owners of the parent		3, 561, 924	3, 530, 104	9, 298, 430	12, 590, 947	12, 999, 917	12, 858, 425
Common stock		4, 933, 034	4, 933, 034	4, 933, 034	4, 944, 109	4, 970, 099	4, 974, 974
Capital collected in advance				18, 824	24, 881	12, 037	16, 217
Capital surplus		11, 144	113, 696	1, 168, 504	1, 209, 690	1, 241, 826	1, 246, 768
Retained earnings	Before distribution	(1, 153, 913)	(1, 161, 854)	3, 548, 777	7, 101, 735	6, 568, 857	6, 489, 339
	After distribution	-	-	3, 153, 260	6, 606, 385	6, 494, 105	-
Other equity		(228, 341)	(354, 772)	(370, 709)	(689, 468)	207, 098	131, 127
Treasury stock		-	-	-	-	-	-
Non-controlling interest		322, 575	442, 654	1, 275, 997	1, 558, 660	1, 556, 791	1, 336, 933
Total share-holders' equity	Before distribution	3, 884, 499	3, 972, 758	10, 574, 427	14, 149, 607	14, 556, 708	14, 195, 358
	After distribution	-	-	10, 178, 910	13, 654, 257	14, 481, 956	-

Note : Reviewed by an accountant.

Condensed Balance Sheet-Individual

Unit: NT\$ thousand

Year		Five-Year Financial Summary				
		2018. 12. 31	2019. 12. 31	2020. 12. 31	2021. 12. 31	2022. 12. 31
Item						
Current assets		965, 802	870, 146	2, 134, 414	2, 476, 617	3, 298, 898
Property, plant and equipment		795, 506	785, 086	787, 974	780, 406	772, 880
Intangible assets		31, 279	13, 904	13, 592	18, 035	9, 540
Other assets		4, 973, 604	5, 526, 952	11, 142, 163	15, 360, 072	15, 365, 584
Total assets		6, 766, 191	7, 196, 088	14, 078, 143	18, 635, 130	19, 446, 902
Current liabilities	Before distribution	681, 538	2, 268, 630	1, 381, 364	3, 096, 637	3, 976, 324
	After distribution	-	-	1, 776, 881	3, 591, 987	4, 051, 076
Non-current liabilities		2, 522, 729	1, 397, 354	3, 398, 349	2, 947, 546	2, 470, 661
Total liabilities	Before distribution	3, 204, 267	3, 665, 984	4, 779, 713	6, 044, 183	6, 446, 985
	After distribution	-	-	5, 175, 230	6, 539, 533	6, 521, 685
Equity attributable to owners of the parent		3, 561, 924	3, 530, 104	9, 298, 430	12, 590, 947	12, 999, 917
Common stock		4, 933, 034	4, 933, 034	4, 933, 034	4, 944, 109	4, 970, 099
Capital collected in advance		-	-	18, 824	24, 881	12, 037
Capital surplus		11, 144	113, 696	1, 168, 504	1, 209, 690	1, 241, 826
Retained earnings	Before distribution	(1, 153, 913)	(1, 161, 854)	3, 548, 777	7, 101, 735	6, 568, 857
	After distribution	-	-	3, 153, 260	6, 606, 385	6, 494, 105
Other equity		(228, 341)	(354, 772)	(370, 709)	(689, 468)	207, 098
Treasury stock		-	-	-	-	-
Non-controlling interest		-	-	-	-	-
Total shareholders' equity	Before distribution	3, 561, 924	3, 530, 104	9, 298, 430	12, 590, 947	12, 999, 917
	After distribution	-	-	8, 902, 913	12, 095, 597	12, 925, 165

Condensed Consolidated Income Statement-Consolidation

Unit: NT\$ thousand

Item \ Year	Five-Year Financial Summary					As of March 31, 2023 Financial Information (Note)
	2018	2019	2020	2021	2022	
Operating revenue	4,796,841	5,527,213	6,502,715	7,001,135	9,296,632	2,044,567
Gross profit	1,316,518	1,775,706	2,055,534	2,522,313	3,316,122	584,045
Operating (loss) net profit	(1,229,051)	(789,865)	(778,920)	(1,442,081)	3,332	(193,661)
Non-operating income and expenses	1,325,671	929,386	6,403,899	6,135,393	527,145	133,481
Income before tax	96,620	139,521	5,624,979	4,693,312	530,477	(60,180)
Income from continuing operations - after tax (loss)	77,841	89,995	4,844,834	4,355,087	222,422	(77,814)
Loss of discontinued operation	-	-	-	-	-	-
Net income (loss)	77,841	89,995	4,844,834	4,355,087	222,422	(77,814)
Other comprehensive income - after tax	(23,467)	(177,996)	(28,129)	(333,942)	934,921	(78,923)
Total comprehensive income	54,374	(88,001)	4,816,705	4,021,145	1,157,343	(156,737)
Net income attributable to owners of the parent	68,793	42,493	4,722,646	3,960,944	(83,635)	(79,518)
Net income attributable to non-controlling interest	9,048	47,502	122,188	394,143	306,057	1,704
Total comprehensive income attributable to owners of the parent	46,769	(134,372)	4,694,694	3,629,716	860,081	(154,391)
Total comprehensive income attributable to non-controlling interest	7,605	46,371	122,011	391,429	297,262	(154,391)
Earnings per share (loss)	0.14	0.09	9.57	8.01	(0.17)	(0.16)

Note: Reviewed by an accountant.

Condensed Comprehensive Income Statement-Individual

Unit: NT\$ thousand

Year	Five-Year Financial Summary				
	2018	2019	2020	2021	2022
Item					
Operating revenue	1, 228, 835	1, 128, 454	1, 425, 987	2, 579, 177	3, 898, 575
Gross profit	408, 272	412, 717	484, 398	370, 595	766, 169
Loss from operations	(829, 442)	(814, 636)	(1, 034, 870)	(900, 067)	(329, 427)
Non-operating in- come(expenses)	919, 966	864, 329	5, 848, 715	4, 985, 535	348, 950
Income before tax	90, 524	49, 693	4, 813, 845	4, 085, 468	19, 523
Net income (loss)	68, 793	42, 493	4, 722, 646	3, 960, 944	(83, 635)
Other comprehensive in- come - after tax	(22, 024)	(176, 865)	(27, 952)	(331, 228)	943, 716
Total comprehensive in- come	46, 769	(134, 372)	4, 694, 694	3, 629, 716	860, 081
Earnings (loss) per share	0. 14	0. 09	9. 57	8. 01	(0. 17)

(2) Accountant's audit opinion

Year	CPA's Name	Auditing Opinion
2018	Shu-Lin Liu, Wenya Xu	Unqualified opinion plus other matters description
2019	Shu-Lin Liu, Chin-Chuan Shih	Unqualified opinion plus other matters description
2020	Shu-Lin Liu, Chin-Chuan Shih	Unqualified opinion plus other matters description
2021	Shu-Lin Liu, Chin-Chuan Shih	Unqualified opinion plus other matters description
2022	Shu-Lin Liu, Chin-Chuan Shih	Unqualified opinion plus other matters description

2 · Financial Analysis in the past 5 fiscal years

2.1 Financial Analysis-IFRS

(1). Financial Analysis-Consolidation

Item (Note 2)		Year	Five-Year Financial Summary					As of March 31,2023 Financial Information (Note 1)
		2018	2019	2020	2021	2022		
Financial structure	Ratio of liabilities to assets (%)	53.92	57.13	42.66	35.39	40.30	44.44	
	Ratio of long-term capital to property, plant and equipment (%)	296.52	255.66	672.74	829.26	832.86	833.50	
Solvency	Current ratio (%)	242.20	130.48	438.58	321.45	240.67	224.34	
	Quick ratio (%)	191.05	101.87	405.04	281.57	181.57	161.87	
	Times interest earned ratio	3.41	3.51	104.23	89.24	9.12	(2.15)	
Operating ability	Accounts receivable turnover (turns)	14.23	12.96	14.79	12.46	16.25	18.97	
	Average collection period	26	28	25	29	22	19	
	Inventory turnover (turns)	2.81	2.79	3.06	2.32	1.91	1.43	
	Accounts payable turnover (turns)	9.94	10.87	10.24	5.98	6.36	5.96	
	Average days in sales	130	131	119	157	191	255	
	Property, plant and equipment turnover (turns)	2.26	2.67	3.21	3.50	4.68	4.11	
	Total assets turnover (turns)	0.57	0.62	0.47	0.35	0.40	0.33	
Profitability	Return on total asset(%)	1.34	1.52	35.28	21.80	1.19	(0.25)	
	Return on stockholders' equity (%)	2.03	2.29	66.61	35.23	1.55	(0.54)	
	Ratio of Pre-tax income to issued capital (%)	1.96	2.83	113.85	94.45	10.66	(1.21)	
	Profit ratio (%)	1.62	1.63	74.5	62.21	2.39	(3.81)	
	Earnings per share	0.14	0.09	9.57	8.01	(0.17)	(0.16)	
Cash flow	Cash flow ratio (%)	-	-	-	32.40	7.01	3	
	Cash flow adequacy ratio (%)	-	-	-	-	8.36	33	
	Cash reinvestment ratio (%)	-	-	-	5.76	-	2	
Leverage	Operating leverage	0.54	0.19	0.13	0.54	174.94	0.29	
	Financial leverage	0.97	0.93	0.93	0.96	(0.05)	0.91	

	<p>Analysis of financial ratio change in the last two years. (If the difference does not exceed 20%, the analysis is not required.)</p> <ol style="list-style-type: none"> 1. Current ratio decreased: Mainly due to the increase in current portion of long-term borrowings and advance receipts, which resulted in increasing current liabilities. 2. Quick ratio decreased: Mainly due to the increase in current portion of long-term borrowings and advance receipts, which resulted in increasing current liabilities. 3. Times interest earned ratio decreased: Mainly due to the decrease in net income before tax and interest. 4. Accounts receivable turnover increased: Mainly due to the increase 33% in sales, but accounts receivable did not increase. 5. Average collection period reduced: Mainly due to the increase in sales, which resulted in increasing accounts receivable turnover. 6. Average days in sales increase: Mainly due to the increase in sales, and stockpiling resulted in increase the average total inventory, which resulted in the decrease in inventory turnover. 7. Property, plant and equipment turnover increased: Mainly due to the increase 33% in sales, but property, plant and equipment did not increase accordingly. 8. Profitability Analysis : Mainly due to the increase NT\$144 million in operating profit and the decrease NT\$561 million in non-operating income, which resulted in decreasing profitability ratios, so that the earnings per share became loss. 9. Cash Flow Analysis : Mainly due to increase in current liabilities, which exceeded the increase in cash inflow from operation activities. 10. Operating leverage increased: Mainly due to operating profit was close to the balance of profit and loss, which led to the increase of operating leverage, and the financial leverage was negative because the operating profit was less than the interest expense.
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Note 1 : Financial statements have been reviewed by the accountant.

Note 2 : Formulas for the above two tables are as follows.

1. Financial Structure

(1) Ratio of liabilities to assets = Total liability / Total assets

(2) Ratio of long-term capital to property, land and equipment = (Net shareholders' equity + Long-term liability) / Net property, land and equipment

2. Solvency

(1) Current ratio: Current assets / current liability

(2) Quick ratio = (Current assets – Inventory – Prepaid expense) / current liability

(3) Times interest earned ratio = Net income before tax and interest expense / Interest expense of the year

3. Operating ability

(1) Account receivable turnover (including accounts receivable and notes receivable derived from business operations) = Net sales / Average accounts receivable (including accounts receivable and notes receivable derived from business operation)

(2) Days sales in accounts receivable = 365 / Account receivable turnover

(3) Inventory turnover = Cost of goods sold / Average inventory amount

(4) Account payable turnover (including accounts payable and notes payable derived from business operation) = Cost of goods sold / Average accounts payable (including accounts payable and notes payable derived from business operation)

(5) Average days in sales = 365 / Inventory turnover

(6) Property, land and equipment turnover = Net sales / Net property, land and equipment

(7) Total assets turnover = Net sales / Total assets

4. Profitability

(1) Return on assets = (Net income (loss) + interest expense x (1-tax rate)) / Average total assets

(2) Return on shareholders' equity = Net income (loss) / Net average shareholders' equity

(3) Profit ratio = Net income (loss) / Net sales

(4) Earnings per share = (Net income attributable to owners of the parent – preferred stock dividend) / Weighted average stock shares issued

5. Cash flow

(1) Cash flow ratio = Net cash flow from operating activity / Current liability

(2) Cash flow adequacy ratio = Net cash flow from operating activity in the past 5 years / (Capital expenditure + Inventory interest + Cash dividend) in the past 5 years

(3) Cash + reinvestment ratio = (Net cash flow from operating activity – Cash dividend) / (Property, land and equipment + Long term investment + Other assets + Working capital)

6. Leverage

(1) Degree of operating leverage = (Net operating income – Variable operating cost and expense) / Operating income

(2) Degree of financial leverage = Operating income / (Operating income – interest expense)

(2). Financial Analysis-Individual

Item \ Year		Five-Year Financial Summary				
		2018	2019	2020	2021	2022
Financial structure	Ratio of liabilities to assets (%)	47.36	50.94	33.95	32.43	33.15
	Ratio of long-term capital to property, plant and equipment (%)	714.06	568.10	1,549.86	1,903.81	1,942.08
Solvency	Current ratio (%)	141.71	38.36	154.51	79.98	82.96
	Quick ratio (%)	77.33	20.62	111.71	41.19	39.66
	Times interest earned ratio	3.65	2.28	113.76	95.58	1.35
Operating ability	Accounts receivable turnover (turns)	16.08	12.86	14.93	16.57	21.71
	Average collection period	23	28	24	22	17
	Inventory turnover (turns)	0.93	0.80	0.99	1.70	1.66
	Accounts payable turnover (turns)	4.64	4.30	4.53	4.46	4.14
	Average days in sales	391	457	369	215	219
	Property, plant and equipment turnover (turns)	1.54	1.43	1.81	3.29	5.02
	Total assets turnover (turns)	0.18	0.16	0.13	0.16	0.20
Profitability	Return on total asset(%)	1.46	1.05	44.72	24.43	(0.20)
	Return on stockholders' equity (%)	1.95	1.20	73.63	36.19	(0.65)
	Ratio of Pre-tax income to issued capital (%)	1.84	1.01	97.43	82.48	0.39
	Profit ratio (%)	5.60	3.77	331.18	153.57	(2.15)
	Earnings per share	0.14	0.09	9.57	8.01	(0.17)
Cash flow	Cash flow ratio (%)	-	-	-	-	-
	Cash flow adequacy ratio (%)	-	-	-	-	-
	Cash reinvestment ratio (%)	-	-	-	-	-
Leverage	Operating leverage	0.78	0.82	0.82	0.84	0.56
	Financial leverage	0.96	0.95	0.96	0.95	0.85
Analysis of financial ratio change in the last two years. (If the difference does not exceed 20%, the analysis is not required.)						
1. Times interest earned ratio decreased: Mainly due to the decrease in net income before tax and interest.						
2. Accounts receivable turnover increased: Mainly due to the increase 51% in sales, but accounts receivable did not increase.						
3. Average collection period reduced: Mainly due to the increase in sales, which resulted in increasing accounts receivable turnover.						
4. Property, plant and equipment turnover increased: Mainly due to the increase 51% in sales.						
5. Total assets turnover increased: Mainly due to the increase 51% in sales.						
6. Profitability Analysis : Mainly due to the decrease NT\$57 million in operating loss and the decrease NT\$464 million in non-operating income, which resulted in decreasing profitability ratios, so that the earnings per share became loss.						
7. Cash Flow Analysis : Mainly due to the increase in gross profit and the decrease in operating loss, resulting in a decrease in operating leverage.						

Note 1 : Formulas for the above two tables are as follows.

1. Financial Structure

(1) Ratio of liabilities to assets = Total liability / Total assets

(2) Ratio of long-term capital to property, land and equipment = (Net shareholders' equity + Long-term liability) / Net property, land and equipment

2. Solvency

(1) Current ratio: Current assets / current liability

(2) Quick ratio = (Current assets – Inventory – Prepaid expense) / current liability

(3) Times interest earned ratio = Net income before tax and interest expense / Interest expense of the year

3. Operating ability

(1) Account receivable turnover (including accounts receivable and notes receivable derived from business operations) = Net sales / Average accounts receivable (including accounts receivable and notes receivable derived from business operation)

(2) Days sales in accounts receivable = 365 / Account receivable turnover

(3) Inventory turnover = Cost of goods sold / Average inventory amount

(4) Account payable turnover (including accounts payable and notes payable derived from business operation) = Cost of goods sold / Average accounts payable (including accounts payable and notes payable derived from business operation)

(5) Average days in sales = 365 / Inventory turnover

(6) Property, land and equipment turnover = Net sales / Net property, land and equipment

(7) Total assets turnover = Net sales / Total assets

4. Profitability

(1) Return on assets = $(\text{Net income (loss)} + \text{interest expense} \times (1 - \text{tax rate})) / \text{Average total assets}$

(2) Return on shareholders' equity = $\text{Net income (loss)} / \text{Net average shareholders' equity}$

(3) Profit ratio = $\text{Net income (loss)} / \text{Net sales}$

(4) Earnings per share = $(\text{Net income attributable to owners of the parent} - \text{preferred stock dividend}) / \text{Weighted average stock shares issued}$

5. Cash flow

(1) Cash flow ratio = $\text{Net cash flow from operating activity} / \text{Current liability}$

(2) Cash flow adequacy ratio = $\text{Net cash flow from operating activity in the past 5 years} / (\text{Capital expenditure} + \text{Inventory interest} + \text{Cash dividend})$ in the past 5 years

(3) Cash + reinvestment ratio = $(\text{Net cash flow from operating activity} - \text{Cash dividend}) / (\text{Property, land and equipment} + \text{Long term investment} + \text{Other assets} + \text{Working capital})$

6. Leverage

(1) Degree of operating leverage = $(\text{Net operating income} - \text{Variable operating cost and expense}) / \text{Operating income}$

(2) Degree of financial leverage = $\text{Operating income} / (\text{Operating income} - \text{interest expense})$

VIA Technologies, Inc.
Audit Committee's Review Report

The Board of Directors has prepared the Company's 2022 business report、financial statements and table of earnings distribution, among which the financial statements were certified by Deloitte & Touche, and issued an audit report with unqualified opinion. The above-mentioned business report、financial statements and table of earnings distribution are approved by the Audit Committee, and it is considered that there is no disagreement. According to relevant requirements of Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

Sincerely yours,

2023shareholders meeting of VIA Technologies, Inc.

Chairman of the Audit Committee: Ti-Hsiang Wei

May 3, 2023

- 4 、 The financial report for 2022, including accountant's audit report, two-year balance sheet, consolidated income statement, statement of changes in shareholders' equity, cash flow statement and notes or attached tables: Attachment 1.
- 5 、 The company's individual financial report for 2022, which has been checked and approved by an accountant, but does not include a detailed list of important accounting items: Attachment 2.
- 6 、 The company and its affiliates in the most recent year and as of the printing date of the annual report, if there are financial difficulties, should indicate its impact on the company's financial status.: None.

Part 8 · Review and Analysis of Financial Conditions, Financial Performance, and Risk Management

1 · Financial Position

Analysis of the financial situation

Unit : NT\$ thousand

Item	Year	2022.12.31	2021.12.31	Difference	
				Amount	%
Current assets		16,987,161	15,129,132	1,858,029	12
Long-term investments		3,086,925	2,438,614	648,311	27
Property, plant and equipment		1,989,134	1,979,612	9,522	0
Other assets		2,319,127	2,353,592	(34,465)	(1)
Total assets		24,382,347	21,900,950	2,481,397	11
Current liabilities		7,058,318	4,706,568	2,351,750	50
Long-term liabilities		2,010,000	2,266,484	(256,484)	(11)
Other liabilities		757,321	778,291	(20,970)	(3)
Total liabilities		9,825,639	7,751,343	2,074,296	27
Capital stock		4,970,099	4,944,109	25,990	1
Capital collected in advance		12,037	24,881	(12,844)	(52)
Capital surplus		1,241,826	1,209,690	32,136	3
Retained earnings		6,568,857	7,101,735	(532,878)	(8)
Other equity		207,098	(689,468)	896,566	(130)
Non-controlling interest		1,556,791	1,558,660	(1,869)	0
Total equity		14,556,708	14,149,607	407,101	3

With the rate of change of 20% and the amount of change of more than NT\$10 million, the analysis and explanation are as follows:

1. Long-term investments increased by NT\$648,311 thousand, mainly due to an increase of NT\$133,058 thousand in non-current financial assets measured at fair value through profit and loss financial assets measured at fair value through other comprehensive gains and losses - non-current increased by NT\$402,452 thousand, and investments using the equity method decreased by NT\$112,801 thousand.
2. Current liabilities increased by NT\$2,351,750 thousand, mainly due to an decrease of NT\$29,387 thousand in accounts payable, a decrease of NT\$45,980 thousand in 2022 income tax liabilities, an increase of NT\$151,102 thousand in liabilities reserve-current, lease liabilities-current decreased by NT\$33,954 thousand and long-term borrowings due within one year increased by NT\$449,352 thousand, and advance receipts increased by NT\$1,843,949 thousand, etc.
3. Total liabilities increased by NT\$2,074,296 thousand, mainly due to current liabilities increased by NT\$2,351,750 thousand, the decrease of long-term borrowings and long-term notes payable by NT\$256,484 thousand, lease liabilities-non-current decreased by NT\$63,776 thousand, net defined benefit liabilities decreased by NT\$45,062 thousand, other liabilities-non-current decreased by NT\$90,264 thousand etc.
4. Capital collected in advance increased by NT\$12,844 thousand, mainly due to employees exercised stock options and had not yet completed share registration, which increased compared with the previous period.
5. Other equity increased by NT\$896,566 thousand, mainly due to the increase of NT\$933,556 thousand in exchange differences on the translation of financial statements of foreign operating institutions, and the decrease of NT\$35,947 thousand in unrealized gains and losses on equity instruments measured at fair value through other comprehensive gains and losses.

2、Analysis of Financial Performance

Financial Performance Analysis

Unit : NT\$ thousand

Item	Year	2022	2021	Difference	Percentage change (%)
		Total	Total		
Operating revenue		9,296,632	7,001,135	2,295,497	33
Operating costs		5,980,510	4,013,531	1,966,97	49
Gross profit		3,316,122	2,987,604	328,518	11
Operating expenses		3,312,790	4,429,685	(1,116,895)	(25)
Loss from operations		3,332	(1,442,081)	1,445,413	100
Non-operating income and expenses					
Interest income		136,251	17,734	118,517	668
Other income		410,007	3,693,668	(3,283,661)	(89)
Other gains and losses		59,029	2,483,324	(2,424,295)	(98)
Financel costs		(65,340)	(53,187)	(12,153)	23
Share of profit or loss of associates		(12,802)	(6,146)	(6,656)	108
Total non-operating income and expenses		527,145	6,135,393	(5,608,248)	(91)
Profit before income tax		530,477	4,693,312	(4,162,835)	(89)
Income tax expense		(308,055)	(338,225)	30,170	(9)
Net profit for the year		222,422	4,355,087	(4,132,665)	(95)
Net profit attributable to:					
Owners of the company		(83,635)	3,960,944	(4,044,579)	(102)
Non-controlling interests		306,057	394,143	(88,086)	(22)
Analysis and explanation of the change in the increase and decrease ratio (the change ratio is 20% and the change amount is more than NT\$10 million) :					
<ol style="list-style-type: none"> Reasons for the increase in operating revenue: Mainly due to the increase from CPU, VIA Intelligent solutions and VIA Next revenue, which increased compared with the previous period. Reasons for the increase in operating expenses: Mainly due to the increase of operating revenue. Reason for the decrease in operating expenses: Mainly due to the personnel of the subsidiary Centaur had been streamlined, resulting in a significant reduction in the current period's expenses. Reasons for the increase in net operating profit: Mainly due to the increase in gross profit NT\$328,518 thousand and the decrease in operating expenses by 1,116,895 thousand. Reasons for the increase in interest income: Mainly due to the US dollar interest rate rose significantly in the second half of the year, which resulted an increase in deposit interest. Reasons for the increase in other income: Mainly due to some employees of its subsidiary CENTAUR TECHNOLOGY, INC. joined Intel, and the transaction price of NT\$3,501,125 thousand was listed into other income last year and the other income increased 217,464 this year. Reasons for the decrease in other gains: Mainly due to the decrease in profit of financial products of NT\$1,750,517 thousand, the decrease in benefits from disposal of intangible assets of NT\$1,081,285 thousand, and the increase in impairment losses on real estate, plant and equipment and right-of-use assets NT\$73,231 thousand, net foreign currency exchange gains increased of NT\$200,774 thousand, and other losses decreased of NT\$84,757 thousand, etc. Reason for the increase in financial cost: Mainly due to the increase in the balance of borrowings and the increase in loan interest rates resulting. Decrease in profit before income tax/net profit for the year/net profit attributable to the parent company: Mainly due to the decrease in other income and other gains mentioned above. Increase in non-controlling interests /equity reduction: Mainly due to the increase in net profit of subsidiaries VLI in 2022. 					

3、Analysis of Cash Flow

Analysis of the cash flows

Flow analysis for the last two years :

Item \ Year	2022	2021	Variance %
Cash Flow Ratio (%)	7.01%	32.4%	-78.36%
Cash Flow Adequacy Ratio (%)	8.36%	-	-
Cash Reinvestment Ratio (%)	-	5.76%	-100%

Analysis of financial ratio change:

1. Analysis of changes in cash flow ratio: The cash flow ratio decreased by 78.36%, mainly because the increase in current liabilities was greater than the net cash inflow from operating activities, resulting in a decrease in the cash flow ratio.
2. Analysis of the change in the allowable cash flow ratio: Mainly because the cash flow in the past five years is changed from net outflow in the previous period to net inflow, which makes the ratio present a negative number, which is still expressed as "-".
3. Analysis of changes in cash reinvestment ratio: The cash flow ratio decreased by 100% in the current period, mainly due to the decrease in operating income and other income in 2022, which resulted in net cash outflow from operating activities, the ratio is negative, which is still expressed with "-", while cash flow from operating activities in 2021 was a net inflow.

Analysis of cash liquidity in the coming year :

Unit : NT\$ thousand

Cash and Cash Equivalents, Beginning of Year ①	Estimated Net Cash Flow from Operating Activities ②	Estimated Cash outflow ③	Cash Surplus (Deficit) ①+②-③	Leverage of Cash Surplus (Deficit)	
				Investment Plans	Financing plans
11,850,296	376,769	2,061,354	10,165,711	-	-

Insufficient cash is intended to take action: None.

4、The Effect upon Financial Operations of any major capital expenditures during the most recent fiscal year:

The company's 2022 capital expenditure is NT\$189,068 thousand, mainly for the development of the company's business to add related research and development equipment, computer software and office equipment, etc., the sources of funds are all self-owned funds.

5、Investment Policy in the most recent fiscal year, Main Causes for profits or losses, improvement Plans and the Investment Plans for the coming year:

The company's reinvestment is mainly strategic investment: the company's investment loss using the equity method in 2022 is NT\$12,802 thousand. In the future, the company will continue to prudently evaluate the reinvestment plan based on the principle of strategic investment.

6、Analysis of Risk Management

(1) Effects of Changes in Interest Rates, Foreign Exchange Rates and Inflation on Corporate and its affiliates Finance, and Future Response Measures :

- A. The company's current recyclable long-term borrowing rate is a floating rate. The long-term borrowing rate for 2022 is about 2.007%~2.12%, and the long-term bill payable interest rate is about 1.79%~2.13%. As of March 31, 2023, long-term borrowings and long-term bills payable. The balance of the coupon is NT\$3.46 billion. If the floating interest rate is increased by one yard, the company's interest expenditure will increase by NT\$8,650 thousand in one year. In terms of assets, the company's capital planning is based on the principle of conservativeness and stability, and the first priority is safety and liquidity in capital allocation. It is mainly based on fixed deposit. Estimated the return rate of fixed deposit is about 0.82%~5.04%. The change of interest rate has little effect on the company's profit and loss.

B. The company's operating income is dominated by U.S. dollars, and manufacturing costs are also dominated by U.S. dollars. Therefore, significant fluctuations in the exchange rate between U.S. dollars and Taiwan dollars may affect operating income, operating costs, and operating net profit denominated in foreign currencies. Therefore, the company mainly uses foreign exchange in terms of exchange rates. The hedging method, combined with the engagement of forward foreign exchange trading contracts, to minimize the impact of exchange rate changes on operating net profit.

C. The Directorate-General of Budget, Accounting and Statistics announced that the annual growth rate of the total consumer price index for 2022 is 2.95%. The risk of inflation is low, and it has no significant impact on the company's profit and loss. However, looking into the future, the company will always pay attention to the fluctuation of market prices. If the purchase cost increases due to inflation, the sales price will be adjusted appropriately to reduce the adverse effect of inflation on the company's profit and loss and asset value.

- (2) Policies for engaging in high-risk, high-leverage investments, fund loans to others, endorsements and derivatives trading, the main reasons for profit or loss, and future countermeasures :

The company's financial management is prudent and does not engage in high-risk, high-leverage investments. The company has formulated complete policies and internal control systems for capital loans to others, endorsement guarantees, and derivative commodity transactions. The transactions of derivative financial products are all to avoid the risk of foreign currency assets and liabilities due to exchange rate changes, and are handled in accordance with the company's "procedures for dealing with derivatives transactions". The company has also formulated the "Fund loan operation procedures", "endorsement guarantee management procedures", "acquisition or disposal of assets processing procedures" and other measures, as the basis for future related behaviors to follow, and then control the risk of the company's operations.

- The 2022 endorsement guarantees are as follows:

In the previous situation of the company's endorsement guarantee for its subsidiaries, only the remaining board of directors on November 1, 2022 passed a resolution to provide an endorsement guarantee amount of NT\$120 million to its subsidiary VIA NEXT TECHNOLOGIES, INC., the actual endorsement guarantee amount at the end of the period is NT\$56,330 thousand, and the guaranteed company is operating steadily, so there has never been any loss due to the endorsement guarantee.

- (3) Future Research & Development Projects and Corresponding Budget :

VIA Intelligent Automotive Solutions

- Optimization of ADAS, DSS, and PD algorithms for VIA Mobile360 systems
- Optimization of SVS and radar sensor fusion technologies for VIA Mobile360 systems
- Development of VIA Mobile360 WorkX Cloud Portal for the VIA Mobile360 Forklift Safety System
- Development of second-generation VIA Mobile360 D705 AI Dash Cam for video telematics applications
- Development of VIA Mobile360 Forklift Safety System for EV forklifts

VIA Intelligent Industrial Solutions

- Development VIA EZAlert System for Smoke/Fire/Gas leakage detection
- Development of PCB Visual Inspection Solution
- Development of Safety Protection Scheme for working at heights in work area
- Development of Plastic Bag Visual Inspection Solution
- Development of MLOps framework and toolset
- Improvement in utilization, efficiency and yield in combination with field and ESG requirements.

VIA Intelligent Building Solutions

- Development of next-generation security systems and devices

VIA Intelligent Edge Solutions

- Development of VIA AMOS-3007 in-vehicle system
- Development of next generation SOM-9X12 module and starter kit for Edge AI devices

x86 Processor platform and Chip

- Develop x86 server platform products with high integration, high DRAM capacity, high I/O expansion, multi-core and high economic benefits, new architecture GPU core ultra-low power consumption thin notebook computer special processor.

VIA Labs

- USB4 controller chip and USB SATA bridge control chip

VIA Next

- Advanced process IC design and development technology
- Advanced packaging design and development technology

The above projects are expected to invest in research and development expenses in 2023 will account for 20% ~ 30% of the company's estimated operating income for that year.

- (4) The impact of important domestic and foreign policy and legal changes on the company's financial business and corresponding measures :

Major domestic and foreign policy and legal changes in the most recent year and up to the date of publication of the annual report has no significant impact on the company. In addition, we will closely monitor the important domestic and foreign policies and legislation changes, and consult relevant professionals, to develop necessary supporting measures at any time and cooperate with practical responses to enhance the company's operating capabilities and competitiveness.

- (5) The impact of technological changes (Including information security risks) and industrial changes on the company's financial business and corresponding measures :

In terms of industry, despite the current slowdown in the global PC and smartphone markets, we see promising growth potential in the intelligent automotive, edge, industrial, and building segments we are focused on. To take advantage of the emerging opportunities in these market segments, VIA will continue to focus on the development of innovative platforms and systems featuring leading-edge AI, computer vision, IoT, sensor fusion, and cloud technologies. The company will also further strengthen relationships with key chip, component, and manufacturing suppliers to optimize the supply chain and accelerate the development of next-generation systems and solutions.

Through close cooperation with upstream, midstream, and downstream manufacturers in the semiconductor industry, VIA Next has established a total solution for IC design services, which can provide one-stop services with partners for different technical needs of customers. To boost the competitiveness of its IC design and development services, the company will continue to develop cutting-edge technologies, including advanced manufacturing processes, packaging types and materials, and complex chip architectures. At the same time, it will carry out investment and research in various emerging application fields. In addition to the high-performance computing chips that VIA previously specialized in, the company will also continue research and investment in areas such as AI, automotive, and communications to meet the technological development needs of different customers.

In response to the decline in the PC and smartphone markets, VIA Labs is further optimizing its supply chain management processes to boost efficiency, reduce costs, and enhance its operational agility. The company is also strengthening relationships with its key customers to optimize forecasts and boost overall demand.

In terms of information security risks, VIA actively constructs an information security management network, and implements various established policies through firewall settings, information room management, user information security management... etc. Every year. We also build a Threat Detection and Response Service System to achieve Endpoint Detection, Advanced Threat Analysis, monitoring and event reporting, as well as strengthen the overall defense of corporate information security. We also execute social engineering drills and information security education with training workshop each year regularly to optimize the maintenance of the employees' information security environment and raise the level of risk awareness. The information department is responsible for the company's information security governance, planning, supervision and promotion of the implementation of policies, continuous assessment and screening of possible risks, and timely measures to respond to various information security needs.

In the company's financial operations, due to the continuation of the Russia-Uzbekistan war, the United States' strong interest rate hikes to reduce inflation, and the continued sanction of the semiconductor industry against China, the global supply chain's flexible adjustment and maneuverability are tested. In the face of the increasingly severe economic environment, we have not only adjusted our

response strategies, but also actively expanded our customer base, and leveraged the advantages of our global scale to provide more stable production and supply terms and more flexible shipment logistics plans. In response to global exchange rate fluctuations, we use real-time foreign exchange market information provided by correspondent banks as the basis for customer quotations and raw material purchases. By enabling us to better predict future currency market trends, this increases our ability to effectively control the impact of exchange rate changes on revenue and profits.

- (6) The impact of changes in corporate image on corporate risk management, and the company's response measures :

The company has a good corporate image, with integrity, innovation, discipline, positivity, and customer trust as its core values, and its mission to promote the connection of the world with innovation and care. The company is committed to maintaining a high degree of professional ethics under the management of corporate integrity and ethics, and there are no risks that affect the corporate image.

- (7) Expected benefits from, risks relating to and response to merger and acquisition plans : No plans for mergers and acquisitions.

- (8) Expected benefits from, risks relating to and response to factory expansion plans : The company outsources OEMs, and there is no need for plant expansion.

- (9) Risks relating to and response to excessive concentration of purchasing sources and excessive customer concentration :

The procurement of main raw materials is based on the principle of more than two suppliers and decentralized sources of purchases. There is currently no product or single customer sales concentration situation.

- (10) Effects of, risks relating to and response to large share transfers or changes in shareholdings by directors or shareholders with shareholdings of over 10% : A situation in which there is a large transfer of no equity.

- (11) Effects of, risks relating to and response to changes in control over the company : A situation in which no right to operate is changed.

- (12) For litigation or non-litigation events, the company and its directors, supervisors, general managers, substantive persons in charge, major shareholders with more than 10% shareholding, and subordinate companies have been judged to determine or are still major litigation in the family. , Non-litigation or administrative disputes, the results of which may have a significant impact on shareholder rights or securities prices, should disclose the facts in dispute, the amount of the subject matter, the date of commencement of the lawsuit, the main parties involved in the litigation, and the processing situation as of the publication date of the annual report :

1. The company's most recent year and as of the date of publication of the annual report, a litigation, non-litigation, or administrative dispute that has been determined or is currently in the lineup, the results of which may have a significant impact on shareholders' equity or securities prices :

The consolidated company signed a product development and pre-purchase agreement with a certain manufacturer. After the two parties had different views in product acceptance and quality identification, a dispute occurred. The lawsuit was brought before the Taipei District Court of Taiwan and the consolidated company obtained a favorable judgment on April 7, 2021. The plaintiff does not accept the judgment of the first instance, and the lawsuit is currently in the trial proceeding of Taiwan High Court.

2. The company's directors, supervisors, general managers, substantive persons in charge, major shareholders with more than 10% shareholding, and affiliated companies, have been determined by judgment or are currently in litigation in the affiliated company in the most recent year and as of the publication date of the annual report. Non-litigation or administrative litigation, the outcome of which may have a significant impact on shareholder rights or securities prices.: None.

- (13) Other important risks and corresponding measures:

The company's risk response organization takes the board of directors as the highest unit of company risk management, and aims to comply with laws and regulations, promote and implement the company's overall risk management, clearly understand the risks faced by the company's operations, and ensure the effectiveness of risk management. The general manager serves as the convener to coordinate and direct the promotion and operation of the risk management plan, and the managers and employees of various departments under it will jointly promote the implementation.

1、Risk management organization structure and responsibilities

Responsible unit	Business risk management
Board of Directors	Implement the company's overall risk management as the goal, clearly understand the risks faced by the company's operations, ensure the effectiveness of risk management, and assume the ultimate responsibility for risk management.
Auditing Office	Check and review the deficiencies of the internal control system and measure the effectiveness and efficiency of operations, and provide suggestions for improvement in a timely manner. Evaluate whether the relevant risk management operations of various departments are implemented and implemented to ensure the implementation and compliance of the system.
President's Office	Operational decision-making risk assessment and implementation response strategy.
Sales & Marketing Division	Plan and implement product sales strategies, and control possible changes in the company's future business.
R & D Division	Control of R&D progress and operating environment. New product and process development risk assessment.
Quality Assurance Division	Plan to promote the company's quality assurance system to meet standards and customer requirements, and to effectively maintain control.
Customer Service Division	Product sales technical support and assistance in solving customer technical problems.

2、Risk assessment of company operation issues and countermeasures

Risk issues	Source of risk	Description	Countermeasures
Corporate Governance	Market risk	1. Industrial technical specifications are mature, excessive price competition, and lower profits.	Optimize existing products and maintain market competitiveness.
		2. Large companies in the same industry merged and product line expansion resulted in increased customer choice	Provide customers with customized and comprehensive services to increase sales stickiness.
	Legal risk	Risks arising from contracts or related intellectual property rights.	Carefully review contracts and establish patent protection umbrellas to reduce and avoid risks.
	Financial risk	The impact of exchange rate changes on the company's profit and loss.	Mainly purchase and sell goods to avoid risks by themselves, and also keep close contact with major correspondent banks to grasp the changes in the foreign exchange market, as the basis for quotation and hedging.
	Information security risk	Leakage of corporate information and damage to intellectual property.	The information department coordinates the promotion and management of information security policies. Supervisors at all levels should actively participate in information security related activities and support information security business.
	Major accident risk	Due to natural disasters or man-made uncontrollable factors, the company's operations are interrupted.	Formulate guidelines for continuity management of operations to guide all units of the company to implement corresponding plans, procedures and activities in case of major accidents to ensure that the company can continue to operate and reduce the impact on the company.

Society	Supplier risk	Supplier fails to implement environmental protection, occupational safety and health or labor human rights regulations.	Formulate supplier management methods, regularly check various operating procedures, and ensure that the provision of products meets various laws and regulations.
Environment	Climate change risk	Extreme climate change causes damage to the earth's environment.	In addition to products that do not use harmful substances, and implement energy-saving, carbon-saving and environmental protection measures in operation, the company's new product development uses low power consumption, energy saving, and compatibility with old products to achieve the goal of reducing raw materials and reduce the impact on the environment.

3、Information Security Risk Management

The company regularly conducts information security risk management reports based on internal management methods, including reviewing relevant information security policies and action plans, consulting external experts when necessary, continuously improving information security defense capabilities and cultivating employees' good information security awareness. The company's audit department regularly conducts related inspections on information security work to ensure that the information security system is complete and related policies have been implemented. The audit reports are also regularly reported to the audit committee and the board of directors in accordance with the law. In addition to following the government's relevant information security policies and the company's internal systems, the company is responsible for implementing daily information security management work in order to minimize the operational risks of information security.

7、Other Important Matter

(1) Important contract

Supply and marketing technical cooperation projects that are still in existence and expired in the most recent year and other important contracts that can affect the rights and interests of investors:

Contract nature	Party	Contract start and end date	Main content	Restrictions
Patent License Agreement	Intel Corporation	Effective from April 8, 2003	1. The content of the contract is related to the patent authorization of microprocessors and other products. 2. The royalties are paid in accordance with the method stipulated in the contract.	None

(2) And financial transparency-it related personnel, acquiring the relevant license specified by the competent authority circumstances

License	Company (number of people)	All companies in the financial report (number of people)
Certified Public Accountant of the Republic of China	2	4
Certified Public Accountant of the People's Republic of China	-	2
Certified Internal Auditors	-	1

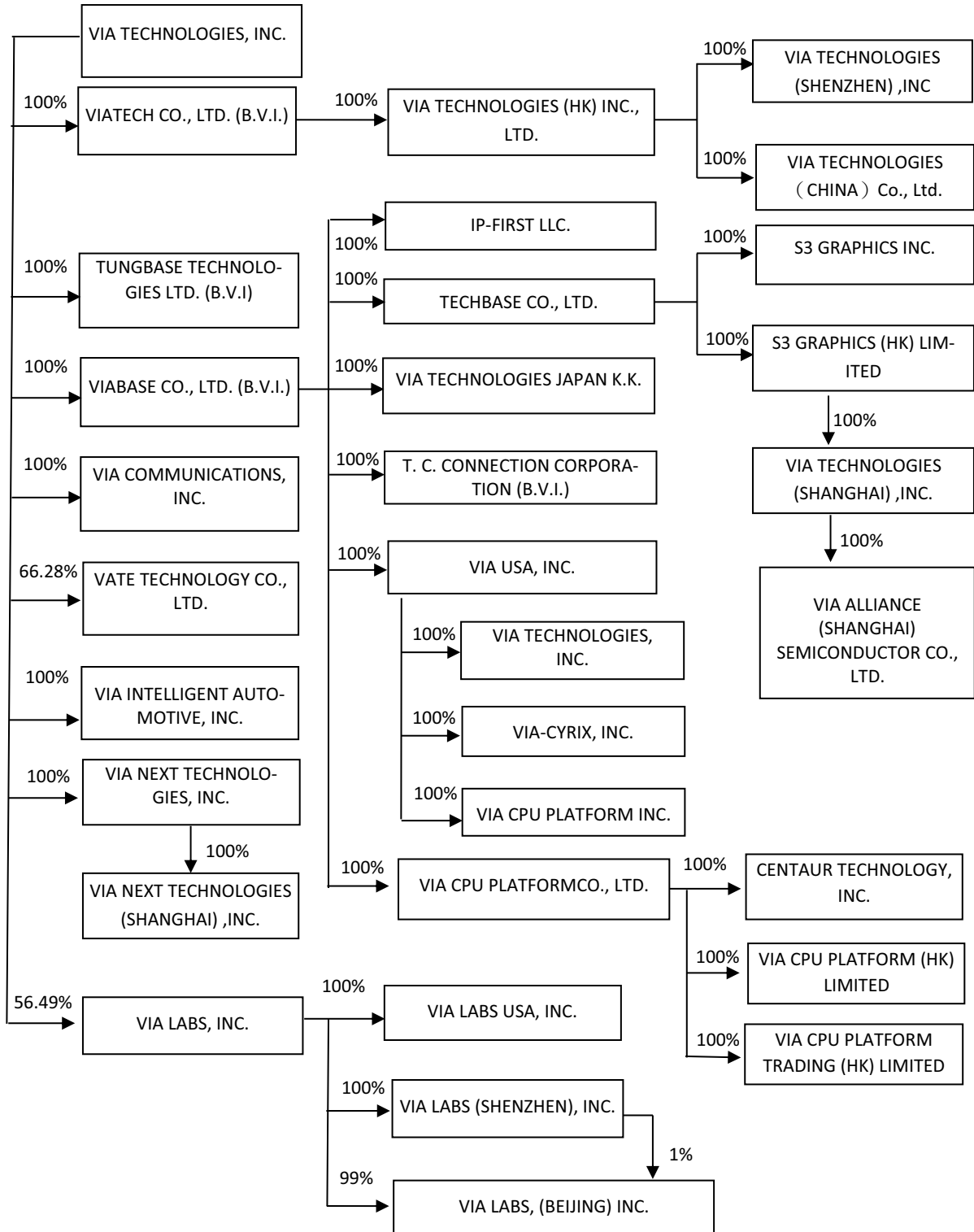
Part 9 、 Special Disclosure

1 、 Summary of Affiliated Companies

1.1 、 Affiliated business merger report

(1). Organizational chart of the affiliates

A. Controlling company and subsidiary company



B. Mutual investment company : None.

(2). Basic Information on Affiliates

Unit: NTD thousands ; foreign currency

Name of Affiliate	Date of Incorporation	Place of Registration	Paid-in Capital	Business Activities
Controlling company : VIA TECHNOLOGIES, INC.	1992.09.21	8F, 533, Zhongzheng Road, Xindian District,, New Taipei City 231, Taiwan, R.O.C.	NTD 4,970,099	Design, manufacture and sale of semiconductors and computer integrated circuits.
Subsidiary company : VIATECH CO., LTD.	1999.08.05	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands.	USD 70,202,090 NTD 2,155,906	1. Investment in various production businesses. 2. Selling and designing products
TUNGBASE TECHNOLOGIES LTD.	1999.12.08	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands.	USD 1,080,000 NTD 33,167	Investment in various production businesses.
VIABASE CO., LTD.	1999.05.03	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands.	USD 115,382,531 NTD 3,543,398	1. Investment in various production businesses. 2. Selling and designing products
VIA COMMUNICATIONS, INC.	2002.08.08	8F, 533, Chung-Cheng Road, Hsin-Tien, Taipei 231, Taiwan, R.O.C.	NTD 10,000	Electronic parts manufacturing industry, material wholesale industry, data software processing service industry.
VATE TECHNOLOGY CO., LTD.	1988.04.01	No. 9, Lixing 5th Rd., East Dist, Hsinchu City, Taiwan, R.O.C.	NTD 794,474	IC chip testing and packaging business.
VIA INTELLIGENT AUTOMOTIVE, INC.	2001.07.11	8F, 525, Chung-Cheng Road, Hsin-Tien, Taipei 231, Taiwan, R.O.C.	NTD 2,600	Electronic component manufacturing, electronic material wholesale.
VIA LABS, INC.	2008.07.07	7F, 529-I, Chung-Cheng Road, Hsin-Tien, Taipei 231, Taiwan, R.O.C.	NTD 685,000	Electronic parts manufacturing industry, material wholesale industry, data software processing service industry.
VIA NEXT TECHNOLOGIES, INC.	2013.02.05	10F, 533, Chung-Cheng Road, Hsin-Tien, Taipei 231, Taiwan, R.O.C.	NTD 5,000	Electronic parts manufacturing industry, material wholesale industry, data software processing service industry.
VIA TECHNOLOGIES (HK) INC., LTD.	1997.10.03	Unit B 16/F., V Ga Building, 532 Castle Peak Road KLN HK.	HKN 649,324,790 NTD 2,556,392	International Investment.

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Name of Affiliate	Date of Incorporation	Place of Registration	Paid-in Capital	Business Activities
VIA TECHNOLOGIES (CHINA) Co., Ltd.	2001.02.16	Building 7, No. 1, Tsinghua Science Park, Zhongguancun East Road, Haidian District, Beijing 110084, China	USD NTD 20,000,000 614,200	Sales of chipsets and CPU products.
VIA TECHNOLOGIES (SHENZHEN), INC	2000.08.10	4th Floor, VIA Technology Building, 9966 Shennan Avenue, Nanshan District, Shenzhen, Guangdong, China	HKN NTD 25,000,000 98,425	Sales of chipsets and CPU products.
IP-FIRST LLC.	1999.09.23	C/O 15. East North Street, Dover, Keut Country, Delaware 19901, USA	USD NTD 15,000,000 460,650	Designing and manufacturing of CPU and licensing of microprocessor-related intellectual property.
VIA TECHNOLOGIES JAPAN K.K.	2000.12.01	1-5-7, Higashisancho, Shibuya-ku, Tokyo, JAPAN	JPY NTD 32,000,000 7,456	Manufacturing, research, development and sales of integrated circuits and semiconductors.
T. C. CONNECTION CORPORATION	2000.06.14	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands.	USD NTD 75,808 2,328	Investment in various production undertakings.
VIA USA, INC.	2000.01.14	C/O pachulski, stang, Ziehl Young & Jones P.C. 10100 Santa Monica boulevard, Suite 1100, Los Angeles CA 90067, USA	USD NTD 1 0.03	Investment in various production undertakings.
VIA TECHNOLOGIES, INC.	1998.03.23	940 Mission Court. Fremont, CA 94539, USA	USD NTD 4,100,000 125,911	Selling and designing of PC chipset.
VIA-CYRIX, INC.	1999.08.26	2552 Summit Avenue, Suite 406, Plano, TX75075, USA	USD NTD 1 0.03	Designing, manufacturing and selling of CPU.
TECHBASE CO., LTD.	2003.02.11	Windward I, Regatta Office Park, PO Box 897, Grand Cayman KY1-1103, Cayman Islands	USD NTD 11,520,000 353,779	International Investment

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	Date of Incorporation		Paid-in Capital	Business Activities
S3 GRAPHICS INC.	2000.06.06	940 Mission Court, Fremont, CA 94539	USD 1 0.03	International Investment.
S3 GRAPHICS (HK) LIMITED	2010.09.13	Unit B, 16th Floor, V Ga Building, 532 Castle Peak Road, Kowloon	USD 3,323,000	International Investment.
VIA TECHNOLOGIES (SHANGHAI), INC.	2001.07.11	2537 Jinke Road, Pudong New Area, Shanghai, China	NTD 102,049	Sales of graphics chipsets.
VIA CPU PLATFORM CO., LTD.	2011.10.06	3rd Floor, J & C Building, P.O. Box 362, Road Town, Tortola, British Virgin Islands	HKD 20,000,000	
CENTAUR TECHNOLOGY, INC.	1999.05.04	7600N.Capital of TX Hwy., Bldg C. Suite 300, Austin, TX 78731	NTD 78,740	
VIA CPU PLATFORM (HK) LIMITED	2020.01.06	Room 3602, Level 36, Tower 1, Enterprise Square Five, 38 Wang Chiu Road, Kowloon Bay, Kowloon, Hong Kong	USD 62,103,268	1.International Investment. 2.Selling of PC chipset.
VIA CPU PLATFORM TRADING (HK) LIMITED	2020.01.06	Room 3602, Level 36, Tower 1, Enterprise Square Five, 38 Wang Chiu Road, Kowloon Bay, Kowloon, Hong Kong	USD 1,907,191	Designing, manufacturing and selling of CPU.
VIA ALLIANCE (SHANGHAI) SEMICONDUCTOR CO., LTD.	2013.01.23	2537 Jinke Road, Pudong New Area, Shanghai, China	USD 1,000	
VIA CPU PLATFORM, INC.	2013.12.17	940 Mission Court Fremont, CA 94539	NTD 31	
VIA LABS USA, INC.	2017.12.28	940 Mission Court Fremont, CA 94539	USD 35,502,268	Contract technical service support of CPU
VIA LABS (SHENZHEN), INC.	2018.01.24	4th Floor, VIA Technology Building, 9966 Shennan Avenue, Nanshan District, Shenzhen, Guangdong, China	NTD 1,090,275	
VIA Labs, (Beijing) Inc.	2018.12.19	Room 305-14, 3rd Floor, Building 6, No. 10, Kegou 1st Street, Beijing Economic and Technological Development Zone, Beijing (Beijing Pilot Free Trade Zone High-end Industry Zone Yizhuang Group)	USD 10,000	Selling and manufacturing of CPU
VIA NEXT TECHNOLOGIES (SHANGHAI), INC.	2021.07.26	Room 101-5, No. 2537 Jinke Road, Shanghai Pilot Free Trade Zone, China	NTD 39	
			RMB 100,000	Integrated circuit chip research, development, manufacturing and sales.
			NTD 441	
			USD 5,000	Selling and designing of PC chipset.
			NTD 154	
			USD 300,000	Contract testing and sales marketing Support.
			NTD 9,213	
			RMB 1,000,000	IC chip testing and technical support services.
			NTD 4,409	
			RMB 1,000,000	IC chip testing and technical support services.
			NTD 4,409	
			RMB 1,000,000	Electronic parts manufacturing industry and data software processing service industry.
			NTD 4,409	

Note: The foreign currency exchange rates on the balance sheet date are as follows: NTD /USD: 1 / 30.710; NTD /HKN Dollar: 1 / 3.937; NTD/JPY: 1 / 0.233; NTD/RMB: 1 / 4.407.

(3). Shareholders in common and Its Subsidiaries with Deemed Control and Subordination : None.

(4). 1-1 Industries covered by the overall business of the related company :

- a. Main business: The main business or production items of each affiliated company. Please refer to the above-mentioned 1.2. The basic information of each affiliated company is shown in the list; mainly the design, manufacturing and trading of semiconductors and computer integrated circuits.
- b. General investment business and other subsidiary businesses: investment in various production businesses and investment consulting business; manufacturing and trading of electronic components, packaging and testing of integrated circuits and microprocessors.

2-2 The overall division of labor of related enterprises :

Starting from the design, manufacturing, and trading of semiconductor and computer integrated circuits of VIA Electronics Co., Ltd., develop various horizontal and vertical divisions of labor. The main businesses of VIA-CYRIX, INC., CENTAUR TECHNOLOGY, INC., VIA CPU PLATFORM (HK) LIMITED., VIA CPU PLATFORM TRADING (HK) LIMITED and IP-FIRST LLC are the design, manufacturing and sales of CPUs, VIA TECHNOLOGIES, INC., VIA CPU PLATFORM, INC., S3 GRAPHICS INC., VIA Electronics (Shanghai) Co., Ltd., VIA TECHNOLOGIES (HK) INC., LTD., VIA TECHNOLOGIES JAPAN KK, VIA LABS, INC., VIA NEXT TECHNOLOGIES, INC., VIA NEXT TECHNOLOGIES (SHANGHAI), INC., VIA TECHNOLOGIES (SHENZHEN), INC., VIA TECHNOLOGIES (CHINA) Co., Ltd., and VIA TECHNOLOGIES (SHANGHAI), INC. are mainly engaged in the design and trading of computer integrated circuits, microprocessors, graphics chips and software. VIABASE CO., LTD., VIATECH CO., LTD., VIA TECHNOLOGIES (HK) INC., LTD., VIA USA, INC., VIA CPU PLATFORM CO., LTD, TUNGBASE TECHNOLOGIES LTD., TC CONNECTION CORPORATION, TECHBASE CO., LTD. and S3 GRAPHICS (HK) LIMITED's main business is investment in various undertakings. VIA COMMUNICATIONS, INC., and VIA INTELLIGENT AUTOMOTIVE, INC. are mainly engaged in the manufacture of electronic components and materials wholesale, and VATE Technology Co., Ltd. The main business of the company is the packaging and testing of integrated circuits and microprocessors. The main business of VIA LABS (SHENZHEN), INC. and VIA LABS, (BEIJING) INC., are testing and technical support services of integrated circuits and microprocessors. The main business of VIA LABS USA, INC. is support services for product testing, sales and marketing.

(5). Information of directors, supervisors and general manager of all subsidiaries

Unit: shares: %

Company Name	Title	Name or representative	Shareholding	
			Number of shares	Shareholding ratios
<u>Controlling company :</u> VIA TECHNOLOGIES, INC.	Chairman & President	Wen-Chi Chen	7,353,682	1.48%
	Director	Cher Wang	34,629,196	6.96%
	Director	Tzumu Lin	4,722,119	0.95%
	Director	Qun-Mao Liu	-	-
	Independent Director	Wei-Teh Hsu	-	-
	Independent Director	Ti-Hsiang Wei	-	-
<u>Subsidiary company :</u> VIATECH CO., LTD. TUNGBASE TECHNOLOGIES, LTD. VIABASE CO., LTD. VIA COMMUNICATIONS, INC	Independent Director	Wen-Yuen Ken	-	-
	Director	VIA TECHNOLOGIES, INC. Representative : Wen-Chi Chen	70,202,090	100.00%
	Director	VIA TECHNOLOGIES, INC. Representative : Wen-Chi Chen	1,080,000	100.00%
	Director	VIA TECHNOLOGIES, INC. Representative : Wen-Chi Chen	115,382,531	100.00%
	Chairman	VIA TECHNOLOGIES, INC. Representative : Cher Wang	1,000,000	100.00%
	Director	VIA TECHNOLOGIES, INC. Representative : Wen-Chi Chen 、 Tzumu Lin	1,000,000	100.00%
Supervisor	VIA TECHNOLOGIES, INC. Representative : Che, Chen	1,000,000	100.00%	

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Company Name	Title	Name or representative	Shareholding	
			Number of shares	Number of shares
VATE TECHNOLOGY CO., LTD.	Chairman	VIA TECHNOLOGIES, INC. Representative : Bing-Hui Shen	52,655,752	66.28%
	Director	VIA TECHNOLOGIES, INC. Representative : Hong-Wen Chen、Hsueh-Chung Lu	52,655,752	66.28%
	Director	Chuan Te Investment Co., Ltd. Representative : Wen-Ching Hsu	2,486,912	3.13%
VIA INTELLIGENT AUTOMOTIVE, INC.	Independent Director	Wen-Liang Chang	-	-
	Independent Director	Mao-Sung Chang	-	-
	Independent Director	Tao-Sun Chen	-	-
VIA LABS, INC.	Chairman	VIA TECHNOLOGIES, INC. Representative : Wen-Chi Chen	260,000	100.00%
	Chairman	Wen-Chi Chen	80,497	0.12%
	Director	VIA TECHNOLOGIES, INC. Representative : Chu-Wang Chen、Tzumu Lin	38,843,000	56.49%
VIA NEXT TECHNOLOGIES, INC.	Director	Cher Wang	379,072	0.55%
	Director	Tzumu Lin	52,873	0.08%
	Independent Director	Yun-Ming Hsieh、Wei-Hsiung Yin、Pi-Sheng Wu	-	-
VIA NEXT TECHNOLOGIES, INC.	Chairman	VIA TECHNOLOGIES, INC. Representative : Cher Wang	500,000	100.00%
	Director	VIA TECHNOLOGIES, INC. Representative : Wen-Chi Chen、Tzumu Lin	500,000	100.00%
	Supervisor	VIA TECHNOLOGIES, INC. Representative : Che Chen	500,000	100.00%

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Company Name	Title	Name or representative	Shareholding	
			Number of shares	Number of shares
VIA TECHNOLOGIES (HK) INC., LTD	Director	Wen-Chi Chen	-	-
VIA TECHNOLOGIES (CHINA) Co., Ltd.	President	VIA TECHNOLOGIES (HK) INC. LTD. Representative : Tao Hsu	-	100.00%
VIA TECHNOLOGIES (SHENZHEN) ,INC	Director	VIA TECHNOLOGIES (HK) INC. LTD. Representative : Chu-Wang Chen	-	100.00%
IP-FIRST LLC.	Director	VIABASE CO., LTD. Representative : Wen-Chi Chen	-	100.00%
VIA TECHNOLOGIES JAPAN K.K.	Chairman	VIABASE CO., LTD. Representative : Cher Wang	640	100.00%
	Director	VIABASE CO., LTD. Representative : Hong-Wen Chen 、 Epan Wu	640	100.00%
T. C. CONNECTION CORPORATION	Director	VIABASE CO., LTD. Representative : Wen-Chi Chen	5,000,000	100.00%
VIA USA, INC.	Director	VIABASE CO., LTD. Representative : Cher Wang 、 Wen-Chi, Chen 、 Chu-Wang Chen	100	100.00%
VIA TECHNOLOGIES, INC.	Director	VIA USA, INC. Representative : Wen-Chi Chen	130,430	100.00%
VIA-CYRIX, INC.	Director	VIA USA, INC. Representative : Wen-Chi Chen 、 Cher Wang 、 Chu-Wang Chen	100	100.00%
TECHBASE CO., LTD.	Director	Wen-Chi Chen	-	-

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Company Name	Title	Name or representative	Shareholding	
			Number of shares	Number of shares
S3 GRAPHICS INC.	Director	TECHBASE CO., LTD. Representative : Che Chen 、 Ping-Hui Shen 、 Bao-Huei Chen	100	100.00%
S3 GRAPHICS (HK) LIMITED VIA TECHNOLOGIES (SHANGHAI) ,INC.	Director	Wen-Chi Chen	-	-
VIA CPU PLATFORM CO., LTD CENTAUR TECHNOLOGY, INC.	Director	S3 GRAPHICS (HK) LIMITED Representative : Wen-Chi Chen	-	100.00%
VIA CPU PLATFORM (HK) LIMITED VIA CPU PLATFORM TRADING (HK) LIMITED VIA ALLIANCE (SHANGHAI) SEMICONDUCTOR CO., LTD.	Director	Wen-Chi Chen	-	-
VIA CPU PLATFORM, INC.	Director	VIA CPU PLATFORM CO.,LTD. Representative : Wen-Chi Chen 、 Chet Wang 、 Chu-Wang Chen	1	100.00%
VIA LABS USA, INC.	Director	IA TECHNOLOGIES (SHANGHAI) ,INC. Representative : Wen-Chi Chen	-	-
VIA LABS (SHENZHEN), INC.	Director	VIA USA, INC. Representative : Chu-Wang Chen	5,000	100.00%
VIA LABS, (BEIJING) INC.	Director	VIA LABS, INC. Representative : Wen-Chi Chen	300,000	100.00%
	Chairman	VIA LABS, INC. Representative : Hong-Wen Chen	-	100.00%
	Director	VIA LABS, INC. Representative : Chu-Wang Chen	990,000	99.00%
VIA NEXT TECHNOLOGIES (SHANGHAI) ,INC.	Supervisor Director	Bao-Huei, Chen 、 Hong-Wen Chen 、 Wen-Chi Chen 、 Yu-Ta Chang	-	-
		Kuo-Ching Li 、 Ying-An Chen 、 Ming-Hui Weng	-	-
		VIA NEXT TECHNOLOGIES, INC. Representative : Wen-Chi Chen	-	100.00%

(6). Overview of operations of related companies

Unit : NTS thousand

Company Name	Capital Stock	Total Assets	Total Liabilities	Net Equity	Net Revenue	Operating (loss) gain	(Loss) gain of the period (after tax)	Earning per share (loss) (NTD) (after tax)
<u>Controlling company :</u> VIA TECHNOLOGIES, INC.	\$ 4,970,099	\$ 19,446,902	\$ 6,446,985	\$ 12,999,917	\$ 3,898,575	(\$ 329,427)	\$ 83,635	(\$ 0.17)
<u>Subsidiary company :</u> VIATECH CO., LTD.	\$ 2,155,906	\$ 4,514,350	\$ 4,935	\$ 4,509,415	\$ -	(\$ 4,631)	\$ 159,810	\$ 2.28
TUNGBASE TECHNOLOGIES LTD.	33,167	-	-	-	-	-	-	-
VIABASE CO., LTD.	3,543,398	7,201,514	10,953	7,190,561	-	(380)	(317,685)	(2.75)
VIA COMMUNICATIONS, INC	10,000	10,856	-	10,856	-	-	48	0.05
VATE TECHNOLOGY CO., LTD.	794,474	629,862	117,530	512,332	267,397	(33,295)	(18,124)	(0.23)
VIA INTELLIGENT AUTOMOTIVE, INC.	2,600	2,462	-	2,462	-	(3)	(3)	(0.01)
VIA LABS, INC.	685,110	3,834,861	653,937	3,180,924	2,954,986	707,046	723,535	10.56
VIA NEXT TECHNOLOGIES, INC.	5,000	2,397,410	2,056,083	341,327	2,219,572	210,885	193,212	386.42
VIA TECHNOLOGIES (HK) INC., LTD	2,556,391	3,243,661	1,229	3,242,432	4,315	16	146,791	0.23
VIA TECHNOLOGIE (CHINA CO., Ltd.	614,200	2,450,063	273,258	2,176,805	167,607	(71,273)	110,401	-
VIA TECHNOLOGIES (SHENZHEN), INC	98,425	358,226	94,908	263,318	313,216	12,872	31,189	-

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Company Name	Capital Stock	Total Assets	Total Liabilities	Net Equity	Net Revenue	Operating (loss) gain	(Loss) gain of the period (after tax)	Earning per share (loss) (NTD) (after tax)
IP-FIRST LLC.	\$ 460,650	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
VIA TECHNOLOGIES JAPAN K.K.	7,456	15,894	3,164	12,730	29,943	237	91	142.19
T. C. CONNECTION CORPORATION	2,328	-	-	-	-	-	-	-
VIA USA, INC.	0.03	1,109,511	351,664	757,847	-	(102)	71,236	712,360.00
VIA TECHNOLOGIES, INC.	125,911	1,085,762	345,309	740,453	633,373	14,128	70,963	544.07
VIA-CYRIX, INC.	0.03	675	838	(163)	-	(73)	(97)	(966.87)
TECHBASE CO., LTD.	353,779	657,848	171,828	486,020	-	(476)	64,863	5.63
S3 GRAPHICS INC.	0.03	185,335	117	185,218	-	(304)	(192)	(1,920.00)
S3 GRAPHICS (HK) LIMITED	102,049	492,154	21,498	470,656	41,727	41,663	65,526	6,552.60
VIA TECHNOLOGIES (SHANGHAI), INC.	78,740	488,741	83,727	405,014	172,356	12,597	22,723	-
VIA CPU PLATFORM CO., LTD	1,907,191	3,617,623	143,562	3,474,061	-	(159)	(532,391)	(8.57)
CENTAUR TECHNOLOGY INC.	31	3,610,269	3,586	3,606,683	-	(29,019)	47,051	47,051,055.82

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Company Name	Capital Stock	Total Assets	Total Liabilities	Net Equity	Net Revenue	Operating (loss) gain	(Loss) gain of the period (after tax)	Earning per share (loss) (NTD) (after tax)
VIA CPU PLATFORM (HK) LIMITED	\$ 1,090,275	\$ 2,268	\$ 145,513	(\$ 143,245)	\$ -	(\$ 579,324)	(\$ 579,207)	(\$ 2.09)
VIA CPU PLATFORM TRADING (HK) LIMITED	39	8,284	179	8,105	-	185	(104)	(10.40)
VIA ALLIANCE (SHANGHAI) SEMICONDUCTOR CO., LTD.	441	435	-	435	-	(15)	(14)	-
VIA CPU PLATFORM, INC.	154	16,714	3,882	12,832	27,660	709	496	99.20
VIA LABS USA, INC.	9,213	14,399	3,612	10,787	24,328	1,404	746	2.49
VIA LABS (SHENZHEN), INC.	4,409	13,391	4,055	9,336	25,252	1,120	1,641	-
VIA LABS, (BEIJING) INC.	4,409	4,420	13	4,407	-	(15)	(2)	-
VIA NEXT TECHNOLOGIES (SHANG-HAI), INC.	4,409	92,720	89,879	2,841	4,268	(3,975)	(1,577)	-

1.2 、 Consolidated financial statements of related companies

In accordance with the Note 4 and Annex 5 of the Securities and Futures Management Committee of the Ministry of Finance, Taiwan Caizheng No. 04448, the company may not prepare the consolidated financial statements of the affiliated companies and issue the statement attached to the letter, which has already been issued by the company. The declaration form in Annex 5 is placed on the first page of the consolidated financial statements of the parent and subsidiary companies.

1.3 、 Relationship report

There is no need to prepare a relationship report.

- 2 、 Private Placement Securities in the most recent fiscal year and during the current fiscal year up to the date of printing of the annual report: None.
- 3 、 The Shares in the Company Held or Disposal of by subsidiaries in the most recent fiscal year and during the current fiscal year up to the date of printing of the annual report: None.
- 4 、 Other Disclosures: None.
- 5 、 Any situations listed in Article 36, paragraph 3, subparagraph 2 of the Securities and Exchange Act, which might materially affect shareholders' equity or the price of the company's securities has occurred during the most recent fiscal year or during the current fiscal year up to the date of printing of the annual report: None.

Attachment 1: Consolidated Financial Reports and Accountants' Audit Reports for 2022

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” (the “Criteria”) for the year ended December 31, 2022 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standard No. 10, “Consolidated Financial Statements”. Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we did not prepare a separate set of consolidated financial statements of affiliates for the reporting purposes under the Criteria.

Very truly yours,

VIA TECHNOLOGIES, INC.

By

March 9, 2023

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
VIA Technologies, Inc.

Opinion

We have audited the accompanying consolidated financial statements of VIA Technologies, Inc. and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the “consolidated financial statements”).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters of the consolidated financial statements for the year ended December 31, 2022 are as follows:

Revenue Recognition

Revenue from the sale of goods is recognized when significant risks and control are transferred to the customers. Technical service revenue is recognized when the performance obligation of services is fulfilled and the amount of revenue can be reasonably measured. Since the revenue from specific customers is material to the consolidated financial statements, we considered the relevant recognition of revenue a key audit matter.

For the accounting policy on revenue recognition, refer to Note 4.

We obtained an understanding and tested the effectiveness of the design and the implementation of internal controls with respect to the revenue recognition of specific customers. We selected samples of revenue from the aforementioned customers and confirmed that revenue transactions have indeed occurred.

Other Matters

We have also audited the parent company only financial statements of VIA Technologies, Inc. as of and for the years ended December 31, 2022 and 2021 on which we have issued an unmodified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Shu-Lin Liu and Chin-Chuan Shih.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 9, 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.

VIA TECHNOLOGIES, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

ASSETS	2022		2021	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 11,850,296	49	\$ 10,479,747	48
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	382,613	2	538,496	3
Financial assets at amortized cost - current (Notes 4 and 9)	103,071	-	1,546,144	7
Notes receivables and accounts receivable (Notes 4 and 10)	443,715	2	654,595	3
Accounts receivable - related parties (Notes 4, 10 and 34)	1,930	-	2,750	-
Other receivables (Notes 4, 10 and 34)	34,492	-	30,375	-
Inventories (Notes 4, 5 and 11)	2,857,115	12	1,611,635	7
Other current assets (Note 18)	<u>1,313,929</u>	<u>5</u>	<u>265,390</u>	<u>1</u>
Total current assets	<u>16,987,161</u>	<u>70</u>	<u>15,129,132</u>	<u>69</u>
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current (Notes 4 and 7)	1,769,876	7	1,636,818	8
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	1,072,567	5	670,115	3
Investments accounted for using the equity method (Notes 4 and 13)	244,482	1	131,681	1
Property, plant and equipment (Notes 4, 14 and 35)	1,989,134	8	1,979,612	9
Right-of-use assets (Notes 4 and 15)	239,587	1	280,968	1
Investment properties, net (Notes 4, 5, 16 and 35)	1,847,568	8	1,852,026	8
Intangible assets (Notes 4 and 17)	72,016	-	64,223	-
Deferred tax assets (Notes 4 and 27)	79,143	-	36,269	-
Refundable deposits (Note 18)	77,727	-	104,282	1
Other assets - non-current (Note 18)	<u>3,086</u>	<u>-</u>	<u>15,824</u>	<u>-</u>
Total non-current assets	<u>7,395,186</u>	<u>30</u>	<u>6,771,818</u>	<u>31</u>
TOTAL	<u>\$ 24,382,347</u>	<u>100</u>	<u>\$ 21,900,950</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	\$ 1,861	-	\$ -	-
Notes payable (Note 20)	678	-	729	-
Accounts payable (Note 20)	891,369	4	920,756	4
Accounts payable - related parties (Notes 20 and 34)	34,464	-	33,695	-
Other payables (Notes 21 and 34)	1,731,268	7	1,724,845	8
Current tax liabilities (Notes 4 and 27)	303,715	1	349,695	2
Provisions - current (Notes 4 and 22)	290,786	1	139,684	1
Lease liabilities - current (Notes 4, 15 and 34)	52,466	-	86,420	-
Current portion of long-term borrowings (Note 19)	1,399,352	6	950,000	4
Other current liabilities (Note 21)	<u>2,352,359</u>	<u>10</u>	<u>500,744</u>	<u>2</u>
Total current liabilities	<u>7,058,318</u>	<u>29</u>	<u>4,706,568</u>	<u>21</u>
NON-CURRENT LIABILITIES				
Long-term borrowings (Note 19)	2,010,000	8	1,165,000	5
Long-term bills payable (Note 19)	-	-	1,101,484	5
Deferred tax liabilities (Notes 4 and 27)	192,906	1	195,270	1
Lease liabilities - non-current (Notes 4, 15 and 34)	114,530	-	178,306	1
Net defined benefit liabilities (Notes 4 and 23)	308,755	1	353,817	2
Credit balance of investments accounted for using the equity method (Notes 13 and 21)	-	-	32	-
Other non-current liabilities (Note 21)	<u>141,130</u>	<u>1</u>	<u>50,866</u>	<u>-</u>
Total non-current liabilities	<u>2,767,321</u>	<u>11</u>	<u>3,044,775</u>	<u>14</u>
Total liabilities	<u>9,825,639</u>	<u>40</u>	<u>7,751,343</u>	<u>35</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 24)				
Share capital	4,970,099	20	4,944,109	23
Capital collected in advance	12,037	-	24,881	-
Capital surplus	1,241,826	5	1,209,690	6
Retained earnings				
Legal reserve	749,725	3	354,878	1
Special reserve	910,285	4	595,929	3
Unappropriated earnings	4,908,847	20	6,150,928	28
Other equity	<u>207,098</u>	<u>1</u>	<u>(689,468)</u>	<u>(3)</u>
Total equity attributable to owners of the Company	12,999,917	53	12,590,947	58
NON-CONTROLLING INTERESTS (Note 24)	<u>1,556,791</u>	<u>7</u>	<u>1,558,660</u>	<u>7</u>
Total equity	<u>14,556,708</u>	<u>60</u>	<u>14,149,607</u>	<u>65</u>
TOTAL	<u>\$ 24,382,347</u>	<u>100</u>	<u>\$ 21,900,950</u>	<u>100</u>

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

VIA TECHNOLOGIES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 25 and 34)	\$ 9,296,632	100	\$ 7,001,135	100
OPERATING COSTS (Notes 11, 23, 26 and 34)	<u>5,980,510</u>	<u>64</u>	<u>4,013,531</u>	<u>58</u>
GROSS PROFIT	<u>3,316,122</u>	<u>36</u>	<u>2,987,604</u>	<u>42</u>
OPERATING EXPENSES (Notes 10, 23, 26 and 34)				
Selling and marketing expenses	764,478	8	735,954	10
General and administrative expenses	618,862	7	598,880	9
Research and development expenses	1,928,797	21	3,091,760	44
Expected credit loss	<u>653</u>	<u>-</u>	<u>3,091</u>	<u>-</u>
Total operating expenses	<u>3,312,790</u>	<u>36</u>	<u>4,429,685</u>	<u>63</u>
PROFIT (LOSS) FROM OPERATIONS	<u>3,332</u>	<u>-</u>	<u>(1,442,081)</u>	<u>(21)</u>
NON-OPERATING INCOME AND EXPENSES (Notes 13, 26 and 34)				
Interest income	136,251	2	17,734	-
Other income	410,007	4	3,693,668	53
Other gains and losses	59,029	1	2,483,324	36
Finance costs	(65,340)	(1)	(53,187)	(1)
Share of profit or loss of associates	<u>(12,802)</u>	<u>-</u>	<u>(6,146)</u>	<u>-</u>
Total non-operating income and expenses	<u>527,145</u>	<u>6</u>	<u>6,135,393</u>	<u>88</u>
PROFIT BEFORE INCOME TAX	530,477	6	4,693,312	67
INCOME TAX EXPENSE (Notes 4 and 27)	<u>(308,055)</u>	<u>(4)</u>	<u>(338,225)</u>	<u>(5)</u>
NET (LOSS) PROFIT FOR THE YEAR	<u>222,422</u>	<u>2</u>	<u>4,355,087</u>	<u>62</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 23 and 24)				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of defined benefit plans	46,208	-	(12,445)	-
Unrealized gain or loss on investments in equity instruments at fair value through other comprehensive income	(45,359)	-	(15,291)	(1)

(Continued)

VIA TECHNOLOGIES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translating foreign operations	\$ 932,373	10	\$ (303,525)	(4)
Share of the other comprehensive income (loss) of associates	<u>1,699</u>	-	<u>(2,681)</u>	-
Other comprehensive income (loss) for the year, net of income tax	<u>934,921</u>	<u>10</u>	<u>(333,942)</u>	<u>(5)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 1,157,343</u>	<u>12</u>	<u>\$ 4,021,145</u>	<u>57</u>
NET (LOSS) PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ (83,635)	(1)	\$ 3,960,944	56
Non-controlling interests	<u>306,057</u>	<u>3</u>	<u>394,143</u>	<u>6</u>
	<u>\$ 222,422</u>	<u>2</u>	<u>\$ 4,355,087</u>	<u>62</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 860,081	9	\$ 3,629,716	52
Non-controlling interests	<u>297,262</u>	<u>3</u>	<u>391,429</u>	<u>5</u>
	<u>\$ 1,157,343</u>	<u>12</u>	<u>\$ 4,021,145</u>	<u>57</u>
(LOSS) EARNINGS PER SHARE (Note 28)				
From continuing operations				
Basic	<u>\$ (0.17)</u>		<u>\$ 8.01</u>	
Diluted			<u>\$ 7.84</u>	

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

(Concluded)

VIA TECHNOLOGIES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company										Total Equity	
	Share Capital	Capital Collected in Advance	Capital Surplus	Retained Earnings		Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Other Equity Unrealized Gain or Loss on Financial Assets at Fair Value Through Other Comprehensive Income	Unearned Employee Benefits	Total Equity Attributable to Owners of the Company		Non-controlling Interests
				Legal Reserve	Special Reserve							
BALANCE, JANUARY 1, 2021	\$ 4,933,034	\$ 18,824	\$ 1,168,504	\$ -	\$ -	\$ 3,548,777	\$ (360,861)	\$ (9,848)	\$ -	\$ 9,298,430	\$ 1,275,997	\$ 10,574,427
Appropriation of 2020 earnings	-	-	-	-	-	(354,878)	-	-	-	-	-	-
Legal reserve	-	-	-	354,878	-	-	-	-	-	-	-	-
Special reserve	-	-	-	595,929	-	(595,929)	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	(395,517)	-	-	-	(395,517)	-	(395,517)
Net profit for the year ended December 31, 2021	-	-	-	-	-	3,960,944	-	-	-	3,960,944	394,143	4,355,087
Other comprehensive loss for the year ended December 31, 2021	-	-	-	-	-	(12,469)	(306,109)	(12,650)	-	(331,228)	(2,714)	(333,942)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	3,948,475	(306,109)	(12,650)	-	3,629,716	391,429	4,021,145
Cash dividends distributed by the subsidiary	-	-	-	-	-	-	-	-	-	-	(128,956)	(128,956)
Change in capital surplus from investments in associates	-	-	252	-	-	-	-	-	-	252	-	252
Share-based payment transaction (Note 29)	-	-	29,887	-	-	-	-	-	-	29,887	-	29,887
Issuance of stock from exercise of employee stock options	11,075	6,057	16,502	-	-	-	-	-	-	33,634	-	33,634
Changes in percentage of ownership interests in the subsidiary (Note 30)	-	-	(7,284)	-	-	-	-	-	-	(7,284)	18,840	11,556
Recognition of employee share options issued by the subsidiary (Note 29)	-	-	1,829	-	-	-	-	-	-	1,829	1,350	3,179
BALANCE AT DECEMBER 31, 2021	4,944,109	24,881	1,209,690	354,878	595,929	6,150,928	(666,970)	(22,498)	-	12,590,947	1,558,660	14,149,607
Appropriation of 2021 earnings	-	-	-	-	-	(394,847)	-	-	-	-	-	-
Legal reserve	-	-	-	394,847	-	-	-	-	-	-	-	-
Special reserve	-	-	-	314,356	-	(314,356)	-	-	-	(495,350)	-	(495,350)
Cash dividends	-	-	-	-	-	(495,350)	-	-	-	-	-	-
Net profit for the year ended December 31, 2022	-	-	-	-	-	(83,635)	-	-	-	(83,635)	306,057	222,422
Other comprehensive loss for the year ended December 31, 2022	-	-	-	-	-	46,107	933,556	(35,947)	-	943,716	(8,795)	934,921
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	(37,528)	933,556	(35,947)	-	860,081	297,262	1,157,343
Cash dividends distributed by the subsidiary	-	-	-	-	-	-	-	-	-	-	(325,580)	(325,580)
Change in capital surplus from investments in associates	-	-	399	-	-	-	-	-	(1,043)	(644)	-	(644)
Share-based payment transaction (Note 29)	-	-	13,349	-	-	-	-	-	-	13,349	-	13,349
Issuance of stock from exercise of employee stock options	25,990	(12,844)	31,711	-	-	-	-	-	-	44,857	-	44,857
Changes in percentage of ownership interests in the subsidiary (Note 30)	-	-	(14,040)	-	-	-	-	-	-	(14,040)	25,896	11,856
Recognition of employee share options issued by the subsidiary (Note 29)	-	-	717	-	-	-	-	-	-	717	553	1,270
BALANCE AT DECEMBER 31, 2022	\$ 4,970,099	\$ 12,037	\$ 1,241,826	\$ 749,725	\$ 910,285	\$ 4,908,847	\$ 266,586	\$ (58,445)	\$ (1,043)	\$ 12,999,917	\$ 1,556,791	\$ 14,556,708

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

VIA TECHNOLOGIES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 530,477	\$ 4,693,312
Adjustments for:		
Depreciation expense	235,179	254,193
Amortization expense	75,948	36,629
Expected credit loss recognized on accounts receivable	653	3,091
Finance costs	65,340	53,187
Interest income	(136,251)	(17,734)
Dividend income	(5,670)	(3,891)
Compensation costs of employee share options	14,619	33,066
Share of profit or loss of associates	12,802	6,146
(Gain) loss on disposal of property, plant and equipment	(5,562)	5,552
Loss (gain) on disposal of intangible assets	27	(1,081,258)
Impairment loss recognized on property, plant and equipment and right-of-use assets	-	73,231
Loss on changes in fair value of investment properties	29,679	27,264
Gain on bargain purchase	(327)	-
Gain on lease modification	(24,325)	(12)
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	108,663	(1,922,737)
Notes receivable and accounts receivable	210,227	(231,548)
Accounts receivable - related parties	820	531
Other receivables	(2,066)	9,288
Inventories	(1,245,480)	(770,619)
Other current assets	(1,048,565)	(81,180)
Other non-current assets	12,738	9,962
Financial liabilities at fair value through profit or loss	1,861	-
Notes payable	(51)	188
Accounts payable	(29,387)	399,043
Accounts payable - related parties	769	14,409
Other payables	15,322	283,169
Provisions	151,102	129,352
Other current liabilities	1,851,615	394,948
Net defined benefit liabilities	<u>1,146</u>	<u>1,425</u>
Cash generated from operations	821,303	2,319,007
Interest received	134,200	17,430
Dividends received	5,670	3,891
Interest paid	(64,882)	(52,650)
Income tax paid	<u>(401,765)</u>	<u>(762,757)</u>
Net cash generated from operating activities	<u>494,526</u>	<u>1,524,921</u>

(Continued)

VIA TECHNOLOGIES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	\$ (447,811)	\$ (575,052)
Purchase of financial assets at amortized cost	(131,971)	(3,165,064)
Proceeds from sale of financial assets at amortized cost	1,575,044	1,678,920
Purchase of long-term equity investments using the equity method	(165,760)	-
Payments for property, plant and equipment	(155,397)	(153,361)
Proceeds from disposal of property, plant and equipment	7,192	2,354
Increase in refundable deposits	(13,546)	(5,376)
Decrease in refundable deposits	40,478	23,865
Payments for intangible assets	(89,030)	(45,683)
Proceeds from disposal of intangible assets	-	7,188,162
Payments for investment properties	(644)	-
Decrease in other financial assets	-	112,044
Dividends received from associates	41,507	93,260
	<u>660,062</u>	<u>5,154,069</u>
Net cash generated from investing activities		
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in long-term bills payable	298,000	248,000
Decrease in long-term bills payable	(692,000)	(336,000)
Proceeds from long-term borrowings	1,465,000	1,142,000
Repayments of long-term borrowings	(878,000)	(872,000)
Increase in guarantee deposits	393,814	1,162
Decrease in guarantee deposits	(303,501)	(1,188)
Decrease in other payables - related parties	-	(96,925)
Repayment of the principal portion of lease liabilities	(113,167)	(98,086)
Distribution of cash dividends	(495,350)	(395,517)
Proceeds from exercise of employee share options	44,857	33,634
Partial disposal of interests in the subsidiary without a loss of control	11,856	171,682
Dividends paid to non-controlling interests	(325,580)	(128,956)
	<u>(594,071)</u>	<u>(332,194)</u>
Net cash used in financing activities		
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES		
	<u>810,032</u>	<u>(218,709)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,370,549	6,128,087
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		
	<u>10,479,747</u>	<u>4,351,660</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 11,850,296</u>	<u>\$ 10,479,747</u>

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

(Concluded)

VIA TECHNOLOGIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

VIA Technologies, Inc. (“VIA” or the “Company”) was incorporated in September 1992 under the Company Law of the Republic of China to engage in the programming, designing, manufacturing and selling of semiconductors and PC chipsets. In March 1999, the Company’s ordinary shares were officially listed on the Taiwan Stock Exchange.

The consolidated financial statements of VIA and its subsidiaries (collectively, the “Group”) are presented in New Taiwan dollars, the functional currency of VIA.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the board of directors of VIA and authorized for issue on March 9, 2023.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

- a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed and issued into effect by the FSC did not have any material impact on the Group’s accounting policies.

- b. The IFRSs endorsed by the FSC for application starting from 2023

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023 (Note 1)
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023 (Note 2)
Amendments to IAS 12 “Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction”	January 1, 2023 (Note 3)

Note 1: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 2: The amendments will be applicable to changes in accounting estimates and changes in accounting policies that will occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 3: Except for deferred taxes that were recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments were applied prospectively to transactions that occurred on or after January 1, 2022.

Amendments to IAS 1 “Disclosure of Accounting Policies”

The amendments specify that the Group should refer to the definition of material to determine its material accounting policy information to be disclosed. Accounting policy information is material if it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments also clarify that:

- Accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed;
- The Group may consider the accounting policy information as material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial; and
- Not all accounting policy information relating to material transactions, other events or conditions is itself material.

The amendments also illustrate that accounting policy information is likely to be considered as material to the financial statements if that information relates to material transactions, other events or conditions and:

- 1) The Group changed its accounting policy during the reporting period and this change resulted in a material change to the information in the financial statements;
- 2) The Group chose the accounting policy from options permitted by the standards;
- 3) The accounting policy was developed in accordance with IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” in the absence of an IFRS that specifically applies;
- 4) The accounting policy relates to an area for which the Group is required to make significant judgements or assumptions in applying an accounting policy, and the Group discloses those judgements or assumptions; or
- 5) The accounting is complex and users of the financial statements would otherwise not understand those material transactions, other events or conditions.

Amendments to IAS 8 “Definition of Accounting Estimates”

The amendments define that accounting estimates are monetary amounts in financial statements that are subject to measurement uncertainty. In applying accounting policies, the Group may be required to measure items at monetary amounts that cannot be observed directly and must instead be estimated. In such a case, the Group adopt measurement techniques and inputs to develop accounting estimates to achieve the objective. The effects on an accounting estimate of a change in a measurement technique or a change in an input are changes in accounting estimates unless they result from the correction of prior period errors.

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

- c. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
Amendments to IFRS 16 “Lease Liability in a Sale and leaseback”	January 1, 2024 (Note 2)
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 9 and IFRS 17 - Comparative Information”	January 1, 2023
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	January 1, 2024

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

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of the application of other standards and interpretations on the Group’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

- d. Reclassification expression

The management of the Group believes that it is more appropriate to include VIA Next Technologies, Inc.’s operating costs in the line item of the operating expenses and, therefore, has changed the presentation of the consolidated statements of comprehensive income in 2022. The 2021 comparative information was reclassified to conform to the current year’s presentation.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

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

Basis of Preparation

These consolidated financial statements have been prepared on the historical cost basis except for financial instruments and investment properties which are measured at fair value, and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- a. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

- b. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- c. Level 3 inputs are unobservable inputs for the asset or liability.

Classification of Current and Non-current Assets and Liabilities

Current assets include:

- a. Assets held primarily for the purpose of trading;
- b. Assets expected to be realized within twelve months after the reporting period; and
- c. Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Current liabilities include:

- a. Liabilities held primarily for the purpose of trading;
- b. Liabilities due to be settled within twelve months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; and
- c. Liabilities for which the Group does not have an unconditional right to defer settlement for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company. Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition up to the effective date of disposal, as appropriate. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if these results in the non-controlling interests have a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transaction. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

See Note 12 for the detailed information of subsidiaries (including the percentage of ownership and main business).

Foreign Currencies

In the separate financial statements of each consolidated entity, transactions in currencies other than the entity's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period.

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

Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Company's foreign operations are translated into New Taiwan dollars using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising are recognized in other comprehensive income (attributed to the owners of the Company and non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e., a disposal of the Company's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In relation to a partial disposal of a subsidiary that does not result in the Company losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to non-controlling interests of the subsidiary and is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Inventories

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

Investments in Associates

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

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

Under the equity method, investments in an associate is initially recognized in the consolidated balance sheet at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate. In addition, the Group recognizes the changes in the share of the equity of associates.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of an associate recognized at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

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

When the Group's share of losses of an associate equals or exceeds the Group's interest in that associate (which includes any carrying amount of the investment accounted for by the equity method and long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

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

The Group discontinues the use of the equity method from the date on which it ceases to be an associate. Any retained investment is measured at fair value at that date and the fair value is regarded as its fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities.

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

Property, Plant and Equipment

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

Properties in the course of construction for production, supply or administrative purposes are measured at cost, less any recognized impairment loss. Cost includes professional fees and costs. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use. Such properties are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

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

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

Investment Property

Investment properties are properties held to earn rentals or for capital appreciation. Investment properties also include land held for a currently undetermined future use.

Freehold investment properties are measured initially at cost, including transaction costs, and are subsequently measured using the fair value model. Changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

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

Intangible Assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful life, residual value, and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. The residual value of an intangible asset with a finite useful life is assumed to be zero unless the Group expects to dispose of the intangible asset before the end of its economic life. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment losses.

Derecognition of intangible assets

Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

Impairment of Property, Plant and Equipment, Right-of-use Asset, Intangible Assets Other Than Goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are allocated to individual cash-generating units; otherwise, they are allocated to the smallest group of cash-generating units on a reasonable and consistent basis of allocation.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

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

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

Financial Instruments

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

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

a. Financial assets

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

1) Measurement categories

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost and investments in equity instruments at FVTOCI.

a) Financial assets at FVTPL

Financial assets are classified as at FVTPL when such a financial asset is mandatorily classified as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, and any dividends or interest earned on such financial assets are recognized in other income and interest income, respectively; any remeasurement gains or losses on such financial assets are recognized in other gains or losses. Fair value is determined in the manner described in Note 33.

b) Financial assets at amortized cost

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

- i. The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- ii. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

- i. Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and
- ii. Financial assets that are not credit impaired on purchase or origination but have subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

A financial asset is credit impaired when one or more of the following events have occurred:

- i) Significant financial difficulty of the issuer or the borrower;
- ii) Breach of contract, such as a default;
- iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or
- iv) The disappearance of an active market for that financial asset because of financial difficulties.

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

c) Investments in equity instruments at FVTOCI

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

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

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

2) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including accounts receivable).

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

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

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

- a) Internal or external information show that the debtor is unlikely to pay its creditors.
- b) When a financial asset is more than 90 days past due unless the Group has reasonable and corroborative information to support a more lagged default criterion.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account.

3) Derecognition of financial assets

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

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

b. Equity instruments

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

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

The repurchase of the Company's own equity instruments is recognized in and deducted directly from equity. The carrying amount is calculated by weighted average of the stock types and is calculated separately according to the reason for recovery. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Company's own equity instruments.

c. Financial liabilities

1) Subsequent measurement

Except the financial liabilities at FVTPL and financial guarantee contracts, all financial liabilities are measured at amortized cost using the effective interest method.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability.

Fair value is determined in the manner described in Note 33.

2) Derecognition of financial liabilities

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

d. Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. When the fair value of derivative financial instruments is positive, the derivative is recognized as a financial asset; when the fair value of derivative financial instruments is negative, the derivative is recognized as a financial liability.

Provisions

Provisions are measured at the best estimate of the discounted cash flows of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Provisions for the expected cost of warranty obligations to assure that products comply with agreed-upon specifications are recognized on the date of sale of the relevant products at the best estimate by the management of the Company of the expenditures required to settle the Group's obligations.

Revenue Recognition

The Group identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

a. Revenue from the sale of goods

Revenue from the sale of goods comes from sales of semiconductor and computer integrated circuit products. Revenue and accounts receivable are recognized when the goods are sold and the customer assumes the right to set the price, use of the goods, the primary responsibility for reselling, and takes the obsolescence risk of the goods.

b. Revenue from the rendering of services

Revenue from product design and testing services is recognized when the performance obligations of services are fulfilled.

Leasing

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

a. The Group as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

Variable lease payments that do not depend on an index or a rate are recognized as income in the periods in which they are earned.

b. The Group as lessee

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

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

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

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments, in-substance fixed payments, variable lease payments which depend on an index or a rate, residual value guarantees, the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and payments of penalties for terminating a lease if the lease term reflects such termination, less any lease incentives receivable. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses its incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

The Group negotiates with the lessor for rent concessions as a direct consequence of the Covid-19 to change the lease payments originally due by June 30, 2022, that results in the revised consideration for the lease substantially less, the consideration for the lease immediately preceding the change. There is no substantive change to other terms and conditions. The Group elects to apply the practical expedient to all of these rent concessions and, therefore, does not assess whether the rent concessions are lease modifications. Instead, the Group recognizes the reduction in lease payment in profit or loss as a deduction of other operating income and expenses, in the period in which the events or conditions that trigger the concession occur and makes a corresponding adjustment to the lease liability. For other rent concessions in which practical expedient is not applied, the Group will assess whether to account for the rent concessions as lease modifications.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the periods in which they are incurred.

Employee Benefits

a. Short-term employee benefits

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

b. Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

Defined benefit costs (including service cost, net interest and rereasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost and net interest on the net defined benefit liability (asset) are recognized as employee benefits expense in the period they occur. Rereasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which they occur. Rereasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liability (asset) represents the actual deficit (surplus) in the Group's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

c. Other long-term employee benefits

Other long-term employee benefits are accounted for in the same way as the accounting required for defined benefit plans except that rereasurement is recognized in profit or loss.

d. Termination benefits

A liability for a termination benefit is recognized at the earlier of when the Group can no longer withdraw the offer of the termination benefit and when the Group recognizes any related restructuring costs.

Share-based Payment Arrangements

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

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

Taxation

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

a. Current tax

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

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

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

b. Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, unused loss carryforward and unused tax credits for purchases of machinery, equipment and technology, research and development expenditures, and personnel training expenditures to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

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

c. Current tax and deferred tax for the year

Current tax and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current tax and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

Key Sources of Estimation Uncertainty

a. Fair value measurements and valuation processes on investment properties

If the Group's investment properties measured at fair value have no quoted prices in active markets, the Group will determine whether to engage third party qualified appraisers and the appropriate valuation techniques for the fair value measurements.

If Level 1 inputs are not available, the Group or engaged appraisers will determine appropriate inputs by referring to the existing lease contracts and rentals of similar properties in the vicinity of the Group's investment properties. If the actual changes of inputs in the future differ from expectation, the fair value may vary accordingly. The Group updates inputs every quarter to confirm the appropriateness of the fair value measurement.

Information on the valuation techniques and inputs used in determining the fair value of investment properties is disclosed in Note 16.

b. Write-down of inventory

Net realizable value of inventory is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The estimation of net realizable value was based on current market conditions and the historical experience of selling products of a similar nature. Changes in market conditions may have a material impact on the estimation of net realizable value.

Inventories are measured at the lower of cost or net realizable value. Judgment and estimation are applied in the determination of net realizable value at the end of reporting period. Inventories are usually written down to net realizable value item by item if those inventories are damaged, have become wholly or partially obsolete, or if their selling prices have declined.

6. CASH AND CASH EQUIVALENTS

	<u>December 31</u>	
	2022	2021
Cash on hand	\$ 1,527	\$ 1,646
Checking accounts and demand deposits	2,502,713	7,027,062
Cash equivalents:		
Time deposits	9,122,985	3,229,433
Repurchase agreements collateralized by bonds	<u>223,071</u>	<u>221,606</u>
	<u>\$ 11,850,296</u>	<u>\$ 10,479,747</u>

The market rate intervals of cash equivalents at the end of the reporting period were as follows:

	<u>December 31</u>	
	2022	2021
Time deposits	0.80%-5.25%	0.05%-0.41%
Repurchase agreements collateralized by bonds	0.53%-1.20%	0.15%-0.88%

As of December 31, 2022 and 2021, time deposits with original maturities of more than three months amounted to \$103,071 thousand and \$1,546,144 thousand, respectively, which were classified as financial assets at amortized cost (refer to Note 9).

7. FINANCIAL INSTRUMENTS AT FVTPL

	<u>December 31</u>	
	2022	2021
<u>Financial assets at FVTPL - current</u>		
Financial assets classified as at FVTPL		
Domestic listed shares	\$ 382,095	\$ 538,418
Overseas unlisted shares	112	78
Derivative financial assets (not under hedge accounting)		
Foreign exchange forward contracts	<u>406</u>	<u>-</u>
	<u>\$ 382,613</u>	<u>\$ 538,496</u>
Financial liabilities classified as at FVTPL		
Derivative financial liabilities (not under hedge accounting)		
Foreign exchange forward contracts	<u>\$ 1,861</u>	<u>\$ -</u>
<u>Financial assets at FVTPL - non-current</u>		
Financial assets mandatorily classified as at FVTPL		
Domestic unlisted shares	\$ 34,015	\$ 38,356
Overseas unlisted shares	1,419,983	1,298,530
Domestic private convertible bonds	<u>315,878</u>	<u>299,932</u>
	<u>\$ 1,769,876</u>	<u>\$ 1,636,818</u>

At the end of the year, outstanding foreign exchange contacts not under hedge accounting were as follows:

December 31, 2022

	<u>December 31, 2022</u>		
	Amount	Maturity Date	Rate of Exchange
Buy forward foreign exchange (USD:NTD)	USD7,500	2023.01.12-2023.02.24	\$30.20-\$32.05
Buy forward foreign exchange (USD:NTD)	USD950	2023.02.16	\$30.20

December 31, 2021: None

The Group held derivative financial instruments for trading purpose and earned profit from foreign exchange rate fluctuation.

The Group ceased to have significant influence over Shanghai Zhaoxin Semiconductor Co., Ltd. in the first quarter of 2021; therefore, it was accounted for the remaining interest as financial assets at FVTPL instead of using the equity method, refer to Note 13.

8. FINANCIAL ASSETS AT FVTOCI

	<u>December 31</u>	
	2022	2021
<u>Non-current</u>		
Investments in equity instruments at FVTOCI		
Overseas unlisted shares	\$ 206,790	\$ 114,066
Overseas beneficiary certificates	<u>865,777</u>	<u>556,049</u>
	<u>\$ 1,072,567</u>	<u>\$ 670,115</u>

These investments in equity instruments are not held for trading. Instead, they are held for medium- to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

9. FINANCIAL ASSETS AT AMORTIZED COST

	<u>December 31</u>	
	2022	2021
<u>Current</u>		
Time deposits with original maturities of more than 3 months	<u>\$ 103,071</u>	<u>\$ 1,546,144</u>

As of December 31, 2022 and 2021, the interest rates of time deposits with original maturities of more than 3 months were ranging from 1.20% to 3.60% and from 0.42% to 0.82%, respectively.

10. NOTES RECEIVABLE, ACCOUNTS RECEIVABLE (INCLUDED RELATED PARTIES) AND OTHER RECEIVABLES

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
<u>At amortized cost</u>		
Notes receivables		
Notes receivable	\$ 20	\$ -
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>
	<u>\$ 20</u>	<u>\$ -</u>
Accounts receivable		
Accounts receivable	\$ 462,699	\$ 672,511
Accounts receivable - related parties	1,930	2,750
Less: Allowance for impairment loss	<u>(19,004)</u>	<u>(17,916)</u>
	<u>\$ 445,625</u>	<u>\$ 657,345</u>
Other receivables		
Other receivables - related parties	\$ 1,118	\$ 7,060
Interest receivable	2,560	509
Others	<u>30,814</u>	<u>22,806</u>
	<u>\$ 34,492</u>	<u>\$ 30,375</u>

Receivables

The average credit period of sales of goods was 60 to 90 days. In determining the recoverability of receivables, the Group considers any changes in the credit quality of the receivable from the date the credit was initially granted to the end of the reporting period. The Group adopted a policy of only dealing with entities that have good credit rating and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. Credit rating information is obtained from publicly available financial information or the Group's own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored, and the aggregate value of transactions concluded is spread amongst approved counterparties.

Before accepting any new customer, the Group evaluates the potential customer's credit quality and defines the credit limits and ratings of the customers. The Group evaluates the financial performance periodically for the adjustment of credit limits once a year.

The Group uses lifetime expected loss provision for all trade receivables. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtor operates and an assessment of both the current as well as the forecast direction of economic conditions at the reporting date. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

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

The following table details the loss allowance of accounts receivable based on the Group's provision matrix.

December 31, 2022

	Not Past Due	Less than 60 Days	61 to 90 Days	Over 90 Days	Total
Expected credit loss rate	0.50%-10%	10%-30%	30%-50%	100%	
Gross carrying amount	\$ 452,674	\$ 11,060	\$ -	\$ 895	\$ 464,629
Loss allowance (lifetime ECLs)	<u>(14,791)</u>	<u>(3,318)</u>	<u>-</u>	<u>(895)</u>	<u>(19,004)</u>
Amortized cost	<u>\$ 437,883</u>	<u>\$ 7,742</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 445,625</u>

December 31, 2021

	Not Past Due	Less than 60 Days	61 to 90 Days	Over 90 Days	Total
Expected credit loss rate	0.50%-10%	10%-30%	30%-50%	100%	
Gross carrying amount	\$ 654,022	\$ 20,358	\$ -	\$ 881	\$ 675,261
Loss allowance (lifetime ECLs)	<u>(10,928)</u>	<u>(6,107)</u>	<u>-</u>	<u>(881)</u>	<u>(17,916)</u>
Amortized cost	<u>\$ 643,094</u>	<u>\$ 14,251</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 657,345</u>

The above aging schedule was based on the past due days.

The movements of the loss allowance of accounts receivable (including related parties) and overdue receivable were as follows:

	For the Year Ended December 31, 2022	
	Accounts Receivable (Including Related Parties)	Overdue Receivables
Balance at January 1, 2022	\$ 17,916	\$ 2,090
Add: Net remeasurement of loss allowance	653	-
Less: Actual write-offs for the year	(91)	-
Foreign exchange gains and losses	<u>526</u>	<u>-</u>
Balance at December 31, 2022	<u>\$ 19,004</u>	<u>\$ 2,090</u>

	For the Year Ended December 31, 2021	
	Accounts Receivable (Including Related Parties)	Overdue Receivables
Balance at January 1, 2021	\$ 14,964	\$ 2,090
Add: Net remeasurement of loss allowance	3,091	-
Foreign exchange gains and losses	<u>(139)</u>	<u>-</u>
Balance at December 31, 2021	<u>\$ 17,916</u>	<u>\$ 2,090</u>

Refer to Note 18 for information relating to overdue receivables which were recognized as other assets.

Other Receivables

Other receivables from related parties are described in Note 34.

11. INVENTORIES

	December 31	
	2022	2021
Merchandise	\$ 147,073	\$ 78,833
Finished goods	445,225	279,804
Work-in-process	1,162,854	456,437
Raw materials	<u>1,101,963</u>	<u>796,561</u>
	<u>\$ 2,857,115</u>	<u>\$ 1,611,635</u>

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2022 were \$359,670 thousand and \$8,556 thousand, respectively, due to the devaluation and obsolescence of inventories and loss on physical inventory.

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2021 were \$212,409 thousand and \$2,631 thousand, respectively, due to the devaluation and obsolescence of inventories and loss on physical inventory.

12. SUBSIDIARIES

a. Subsidiaries included in consolidated financial statements

The consolidated entities as of December 31, 2022 and 2021 were as follows:

Investor	Investee	Main Businesses	% of Ownership		Remark
			December 31, 2022	December 31, 2021	
VIA Technologies, Inc.	VIABASE	International investment	100.00	100.00	-
	VIATECH	International investment	100.00	100.00	-
	TUNGBASE	International investment	100.00	100.00	-
	Wei-Hon Co, Ltd.	Manufacturing and selling of communication and electronic parts	100.00	100.00	-
	Vate Technology Co., Ltd.	Integrated circuits chip testing and packaging services	66.28	66.28	-
	VIA Intelligent Automotive, Inc.	Manufacturing and selling of electronic parts	100.00	100.00	-
	VIA Labs, Inc.	Manufacturing and selling of electronic parts, information software processing services	56.49	57.11	1), 2)
	VIA Next Technologies, Inc.	Manufacturing electronic parts and information software processing services	100.00	100.00	3)
	VIA Labs, Inc.	VIA Labs USA, Inc.	Contract testing and sales marketing support	100.00	100.00
VIA Labs (Shenzhen) Co., Ltd.	VIA Labs (Shenzhen) Co., Ltd.	Integrated circuits chip testing and technical support	100.00	100.00	-
	VIA Labs (Beijing), Inc.	Integrated circuits chip testing and technical support	99.00	99.00	4)
	VIA Labs (Beijing), Inc.	Integrated circuits chip testing and technical support	1.00	1.00	4)
VIA Labs (Shenzhen) Co., Ltd.	VIA Labs (Beijing), Inc.	Integrated circuits chip testing and technical support	1.00	-	5)
VIA Next Technologies, Inc.	VIA Next Technologies (Shanghai) Co., Ltd.	Manufacturing electronic parts and information software processing services	100.00	-	-
VIATECH	VIA-HK	International investment	100.00	100.00	-
VIABASE	IP-FIRST LLC	Designing and manufacturing of CPU and licensing of microprocessor-related intellectual property	100.00	100.00	-
VIA USA, Inc.	VIA USA, Inc.	International investment	100.00	100.00	-
	VIA Japan K.K.	Manufacturing, researching, developing and selling of integrated circuits and other semiconductor devices.	100.00	100.00	-
	T.C. Connection Corporation	International investment	100.00	100.00	-
	TECHBASE	International investment	100.00	100.00	-
	VIA CPU Platform Co., Ltd.	1. International investment 2. Selling of PC chipset	100.00	100.00	-
	VIA Technologies, Inc.	Selling and designing of PC chipset	100.00	100.00	-
	VIA Cyrix, Inc.	Designing, manufacturing and selling of CPU	100.00	100.00	-
	VIA CPU Platform Inc.	Selling and designing of PC chipset	100.00	100.00	-
	VIA Technologies (Shenzhen) Co., Ltd.	Selling of CPU and PC chipset	100.00	100.00	-
VIA Technologies (China) Co., Ltd.	Selling of CPU and PC chipset	100.00	100.00	-	
TECHBASE	S3 Graphics (HK) Limited	International investment	100.00	100.00	-
S3 Graphics (HK) Limited	S3 Graphics, Inc.	Selling and designing of PC chipset	100.00	100.00	-
	VIA Technologies (Shanghai) Co., Ltd.	Selling of graphics chipset	100.00	100.00	-
VIA Technologies (Shanghai) Co., Ltd.	VIA CPU Platform (Shanghai) Co., Ltd.	Manufacturing, researching, developing and selling of integrated circuits chip	100.00	100.00	-
VIA CPU Platform Co., Ltd.	VIA Next Technologies, Inc.	Manufacturing of electronic parts and information software processing services	-	-	3)
VIA CPU Platform Co., Ltd.	Centaur Technology, Inc.	Designing, manufacturing and selling of CPU	100.00	100.00	-
	VIA CPU Platform (HK) Limited	Contract technical service support of CPU	100.00	100.00	-
	VIA CPU Platform Trading (HK) Limited	Selling and manufacturing of CPU	100.00	100.00	-

Remark:

- 1) Employees of VLI exercised share options in 2021 and 2022, which reduced its equity interest in VLI from 57.55% to 57.11% and 56.49%, respectively. Refer to Notes 29 and 30.
- 2) Subsidiaries that have material non-controlling interests.
- 3) The Group had organizational restructuring and transferred all shares of VIA CPU Platform (Taiwan) Co., Ltd. held by VIA CPU Platform Co., Ltd. to VIA in July 2021. In addition, VIA CPU Platform (Taiwan) Co., Ltd. was renamed as VIA Next Technologies, Inc. in August 2021.

- 4) VIA Labs (Beijing), Inc. with the capital of RMB990 thousand and RMB10 thousand were injected by VLI and VIA Labs (Shenzhen) Co., Ltd., respectively. VLI and VIA Labs (Shenzhen) Co., Ltd. acquired 99% and 1% equity interest, respectively, in VIA Labs (Beijing), Inc. in October 2021.
- 5) VIA Next Technologies, Inc. remitted RMB1,000 thousand in February 2022, with a 100% shareholding.

Except for VIA Intelligent Automotive, Inc. and Wei-Hon Co, Ltd. in 2022 and 2021, the above subsidiaries have been audited. Management believes there is no material impact on the consolidated financial statements from the above subsidiaries that have not been audited. In addition, significant transactions between and among the companies have been eliminated in the consolidated financial statements.

b. Subsidiaries excluded from consolidated financial statements: None.

c. Details of subsidiaries that have material non-controlling interests:

Name of Subsidiary	Principal Place of Business	Proportion of Ownership and Voting Rights Held by Non-controlling Interests	
		December 31 2022	December 31 2021
VIA Labs, Inc.	Taiwan	43.51%	42.89%

Name of Subsidiary	Profit (Loss) Allocated to Non-controlling Interests For the Year Ended December 31		Accumulated Non-controlling Interests December 31	
	2022	2021	2022	2021
VIA Labs, Inc.	\$ 312,169	\$ 373,734	\$ 1,384,021	\$ 1,373,239

Summarized financial information in respect of each of the Group's subsidiaries that have material non-controlling interests is set out below. The summarized financial information below represents amounts before intragroup eliminations.

VIA Labs, Inc.

	December 31	
	2022	2021
Current assets	\$ 2,748,805	\$ 3,187,813
Non-current assets	1,079,562	887,372
Current liabilities	(644,505)	(856,735)
Non-current liabilities	(2,938)	(16,680)
Equity	\$ 3,180,924	\$ 3,201,770
Equity attributable to:		
Owners of VIA	\$ 1,796,903	\$ 1,828,531
Non-controlling interests of VIA Labs, Inc.	1,384,021	1,373,239
	\$ 3,180,924	\$ 3,201,770

	For the Year Ended December 31	
	2022	2021
Revenue	<u>\$ 2,954,986</u>	<u>\$ 3,367,047</u>
Profit for the year	\$ 723,535	\$ 880,311
Other comprehensive loss for the year	<u>(5,184)</u>	<u>(6,397)</u>
Total comprehensive income for the year	<u>\$ 718,351</u>	<u>\$ 873,914</u>
Profit attributable to:		
Owners of VIA	\$ 411,366	\$ 506,577
Non-controlling interests of VIA Labs, Inc.	<u>312,169</u>	<u>373,734</u>
	<u>\$ 723,535</u>	<u>\$ 880,311</u>
Total comprehensive income attributable to:		
Owners of VIA	\$ 408,440	\$ 502,895
Non-controlling interests of VIA Labs, Inc.	<u>309,911</u>	<u>371,019</u>
	<u>\$ 718,351</u>	<u>\$ 873,914</u>
Cash inflow (outflow) from:		
Operating activities	\$ 210,327	\$ 897,261
Investing activities	150,468	(971,847)
Financing activities	(754,822)	(303,065)
Effects of exchange rate change on the balance of cash held in foreign currencies	<u>1,155</u>	<u>(230)</u>
Net cash outflow	<u>\$ (392,872)</u>	<u>\$ (377,881)</u>
Dividends paid to non-controlling interests of: VIA Labs, Inc.	<u>\$ 325,580</u>	<u>\$ 128,956</u>

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2022	2021
Investment in associates	<u>\$ 244,482</u>	<u>\$ 131,681</u>

Investments in Associates

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
Associates that are not individually material		
VIA Telecom Co., Ltd.	\$ 67,688	\$ 106,119
Intumit Inc.	20,954	20,684
iDOT Computers, Inc.	-	-
Catchplay Media Holdings Ltd.	-	-
Sure Victory Investment Ltd.	-	(32)
Shengchuang Intelligent Education (Shandong) Co., Ltd.	3,327	4,878
HLJ technology Co., Ltd.	<u>152,513</u>	<u>-</u>
	244,482	131,649
Add: Credit balance of investments accounted for using the equity method reclassified as other liabilities (Note 21)	<u>-</u>	<u>32</u>
	<u>\$ 244,482</u>	<u>\$ 131,681</u>

In August 2022, the Group acquired 12.05% of the shares of HLJ Technology Co., Ltd. with a cash investment of \$165,760 thousand. In addition, HLJ Technology Co., Ltd. took back restricted stocks that did not meet the vested conditions in August 2022 and December 2022, which resulted in an increase in the shareholding ratio to 12.08% and an increase in the capital surplus by \$234 thousand.

Shanghai Zhaoxin Semiconductor Co., Ltd. raised additional capital and reelected directors and supervisors in the first quarter of 2021; hence, the Group ceased to have significant influence over it. The Group accounted for the remaining interest of Shanghai Zhaoxin Semiconductor Co., Ltd. as financial assets at FVTPL instead of using the equity method, refer to Note 7.

Refer to Table 7 “Information on Investees” and Table 8 “Information on Investments in Mainland China” for the nature of activities, principal place of business and country of incorporation of the associate.

Investment in associates are accounted for using the equity method.

a. Aggregate information of the not individually material associate is set out below:

	<u>For the Year Ended December 31</u>	
	<u>2022</u>	<u>2021</u>
The Group’s share of:		
Net loss for the year	\$ (12,802)	\$ (6,146)
Other comprehensive loss	<u>1,699</u>	<u>(2,681)</u>
Total comprehensive loss for the year	<u>\$ (11,103)</u>	<u>\$ (8,827)</u>

VIA Telecom Co., Ltd. appropriated earnings in March 2022 and May 2021. The Group received cash dividends of \$40,787 thousand and \$93,078 thousand in accordance with the percentage of ownership. Resulting from the changes in equity of VIA Telecom Co., Ltd., the Group increased capital surplus by \$51 thousand and \$113 thousand in 2022 and 2021, respectively, in accordance with the percentage of ownership.

Intumit Inc. issued employee share options in 2022 and 2021, respectively. As a result, the Group increased capital surplus by \$114 thousand and \$139 thousand, respectively. In addition, Intumit Inc. distributed earnings in 2022 and 2021, and the Group received cash dividends of \$720 thousand in accordance with the percentage of ownership.

The Group discontinued its financial support to iDOT Computers, Inc and Catchplay Media Holdings Ltd in 2022 and 2021, and consequently, discontinued recognition of its share of losses of those associates. The Group's share of loss of its associate is limited to its interest in these associates. The amounts of unrecognized share of loss of those associates in 2022 and 2021, both for the reporting periods and cumulatively, were as follows:

	For the Year Ended December 31	
	2022	2021
Unrecognized share of losses of associates for the year	<u>\$ (5,497)</u>	<u>\$ (3,774)</u>
Accumulated unrecognized share of losses of associates	<u>\$ (16,067)</u>	<u>\$ (10,570)</u>

The Group ceased to have significant influence over Shanghai Zhaoxin Semiconductor Co., Ltd. in the first quarter of 2021 and the remaining interest of Shanghai Zhaoxin Semiconductor Co., Ltd. was accounted for as financial assets at FVTPL. Accordingly, there was no unrecognized share of loss of associates.

Except for Intumit Inc., Catchplay Media Holdings Ltd. and Sure Victory Investment Ltd. in 2022 and 2021, the investments were accounted for using the equity method and the share of profit or loss and other comprehensive income of those investments were calculated based on financial statements which have been audited. The management believes the financial statements of Intumit Inc., Catchplay Media Holdings Ltd. and Sure Victory Investment Ltd. in 2022 and 2021 which have not been audited did not have material impact on the Group's consolidated financial statements.

14. PROPERTY, PLANT AND EQUIPMENT

	December 31	
	2022	2021
Assets used by the Group	\$ 1,966,955	\$ 1,955,534
Assets leased under operating leases	<u>22,179</u>	<u>24,078</u>
	<u>\$ 1,989,134</u>	<u>\$ 1,979,612</u>

a. Assets used by the Group

	Land	Buildings and Improvements	Machinery and Equipment	Instrument Equipment	Others	Property in Construction	Total
<u>Cost</u>							
Balance at January 1, 2021	\$ 865,123	\$ 1,472,754	\$ 711,491	\$ 576,591	\$ 807,693	\$ 10,302	\$ 4,443,954
Additions	-	9,767	48,569	2,759	82,090	3,053	146,238
Disposal	-	(218)	(118,463)	(43,740)	(65,270)	-	(227,691)
Reclassification	-	-	13,355	-	-	(13,355)	-
Effect of foreign currency exchange differences	-	(3,292)	(2,179)	(9,732)	(9,188)	-	(24,391)
Balance at December 31, 2021	<u>\$ 865,123</u>	<u>\$ 1,479,011</u>	<u>\$ 652,773</u>	<u>\$ 525,878</u>	<u>\$ 815,325</u>	<u>\$ -</u>	<u>\$ 4,338,110</u>
<u>Accumulated depreciation and impairment</u>							
Balance at January 1, 2021	\$ -	\$ 644,705	\$ 597,078	\$ 512,380	\$ 696,339	\$ -	\$ 2,450,502
Depreciation expenses	-	32,776	39,065	25,087	53,780	-	150,708
Disposal	-	(218)	(118,310)	(39,617)	(61,640)	-	(219,785)
Impairment	-	-	-	2,297	20,060	-	22,357
Effect of foreign currency exchange differences	-	(818)	(2,162)	(9,613)	(8,613)	-	(21,206)
Balance at December 31, 2021	<u>\$ -</u>	<u>\$ 676,445</u>	<u>\$ 515,671</u>	<u>\$ 490,534</u>	<u>\$ 699,926</u>	<u>\$ -</u>	<u>\$ 2,382,576</u>
Carrying amount at December 31, 2021	<u>\$ 865,123</u>	<u>\$ 802,566</u>	<u>\$ 137,102</u>	<u>\$ 35,344</u>	<u>\$ 115,399</u>	<u>\$ -</u>	<u>\$ 1,955,534</u>

(Continued)

	Land	Buildings and Improvements	Machinery and Equipment	Instrument Equipment	Others	Property in Construction	Total
Cost							
Balance at January 1, 2022	\$ 865,123	\$ 1,479,011	\$ 652,773	\$ 525,878	\$ 815,325	\$ -	\$ 4,338,110
Additions	-	5,370	52,442	33,301	53,160	7,338	151,611
Disposal	-	(115)	(25,737)	(338,106)	(155,455)	-	(519,413)
Reclassification	-	-	-	7,616	(7,616)	-	-
Effect of foreign currency exchange differences	-	8,512	(3,920)	79,542	94,173	-	178,307
Balance at December 31, 2022	<u>\$ 865,123</u>	<u>\$ 1,492,778</u>	<u>\$ 675,558</u>	<u>\$ 308,231</u>	<u>\$ 799,587</u>	<u>\$ 7,338</u>	<u>\$ 4,148,615</u>
Accumulated depreciation and impairment							
Balance at January 1, 2022	\$ -	\$ 676,445	\$ 515,671	\$ 490,534	\$ 699,926	\$ -	\$ 2,382,576
Depreciation expenses	-	32,731	42,430	20,600	59,985	-	155,746
Disposal	-	(115)	(25,596)	(338,075)	(153,997)	-	(517,783)
Impairment	-	-	-	7,616	(7,616)	-	-
Effect of foreign currency exchange differences	-	2,198	(162)	74,719	84,366	-	161,121
Balance at December 31, 2022	<u>\$ -</u>	<u>\$ 711,259</u>	<u>\$ 532,343</u>	<u>\$ 255,394</u>	<u>\$ 682,664</u>	<u>\$ -</u>	<u>\$ 2,181,660</u>
Carrying amount at December 31, 2021 and January 1, 2022	<u>\$ 865,123</u>	<u>\$ 802,566</u>	<u>\$ 137,102</u>	<u>\$ 35,344</u>	<u>\$ 115,399</u>	<u>\$ -</u>	<u>\$ 1,955,534</u>
Carrying amount at December 31, 2022	<u>\$ 865,123</u>	<u>\$ 781,519</u>	<u>\$ 143,215</u>	<u>\$ 52,837</u>	<u>\$ 116,923</u>	<u>\$ 7,338</u>	<u>\$ 1,966,955</u>

(Concluded)

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

Buildings and improvements	5-55 years
Machinery and equipment	3-5 years
Instrument equipment	3-5 years
Others	2-5 years

The major component parts of the buildings held by the Group included plant structures and power supplies, etc., which are depreciated over their estimated useful lives of 50 to 55 years and 5 years, respectively.

The Group considered the possible impairment on parts of the testing machines at launch of new models and recognized accumulated impairment losses, were as follows:

	For the Year Ended December 31, 2022				
	Cost	Accumulated Depreciation	Balance	Accumulated Impairment Losses	Net Carrying Amount
Machinery and equipment	<u>\$ 36,892</u>	<u>\$ 26,606</u>	<u>\$ 10,286</u>	<u>\$ 10,286</u>	<u>\$ -</u>
	For the Year Ended December 31, 2021				
	Cost	Accumulated Depreciation	Balance	Accumulated Impairment Losses	Net Carrying Amount
Machinery and equipment	<u>\$ 36,892</u>	<u>\$ 26,606</u>	<u>\$ 10,286</u>	<u>\$ 10,286</u>	<u>\$ -</u>

b. Assets leased under operating leases

	Buildings and Improvements
<u>Cost</u>	
Balance at January 1 and December 31, 2021	\$ <u>68,356</u>
Balance at January 1 and December 31, 2022	\$ <u>68,356</u>
<u>Accumulated depreciation</u>	
Balance at January 1, 2021	\$ 42,379
Depreciation expenses	<u>1,899</u>
Balance at December 31, 2021	\$ <u>44,278</u>
Balance at January 1, 2022	\$ 44,278
Depreciation expenses	<u>1,899</u>
Balance at December 31, 2022	\$ <u>46,177</u>
<u>Carrying amount</u>	
Carrying amount at December 31, 2022 and January 1, 2022	\$ <u>24,078</u>
Carrying amount at December 31, 2022	\$ <u>22,179</u>

Operating leases relate to leases of buildings and improvements with lease terms of 10 years. The lessees do not have bargain purchase options to acquire the assets at the expiry of the lease periods.

The maturity analysis of lease payments receivable under operating lease payments was as follows:

	December 31	
	2022	2021
Year 1	\$ 6,240	\$ 6,240
Year 2	6,240	6,240
Year 3	6,240	6,240
Year 4	6,240	6,240
Year 5	6,240	6,240
Year 6 onwards	<u>6,500</u>	<u>12,740</u>
	<u>\$ 37,700</u>	<u>\$ 43,940</u>

The above items of property, plant and equipment leased under operating leases are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings and improvements	
Plant structures	50 years
Power supplies	25 years
Engineering systems	5 years

c. There were no capitalized interests for the years 2022 and 2021.

- d. Refer to Note 35 for the carrying amount of property, plant and equipment pledged as collateral.
- e. The land and building rented to third parties were classified as investment properties, refer to Note 16.

15. LEASE ARRANGEMENTS

- a. Right-of-use assets

	<u>December 31</u>	
	2022	2021
<u>Carrying amount</u>		
Land	\$ 112,080	\$ 115,862
Buildings	115,217	139,497
Machinery	12,290	25,530
Office equipment	-	79
Transportation equipment	-	-
	<u>\$ 239,587</u>	<u>\$ 280,968</u>

As of December 31, 2022 and 2021, the right-of-use assets - lands are land use rights located in mainland China and leasehold land in Hsinchu Science Park.

	<u>For the Year Ended December 31</u>	
	2022	2021
Additions to right-of-use assets	<u>\$ 41,385</u>	<u>\$ 160,966</u>
Depreciation charge for right-of-use assets		
Land	\$ 4,934	\$ 4,890
Buildings	50,726	72,017
Machinery	21,789	24,583
Office equipment	85	96
Transportation equipment	-	-
	<u>\$ 77,534</u>	<u>\$ 101,586</u>
Impairment loss on right-of-assets		
Buildings	<u>\$ -</u>	<u>\$ 50,874</u>

- b. Lease liabilities

	<u>December 31</u>	
	2022	2021
<u>Carrying amount</u>		
Current	<u>\$ 52,466</u>	<u>\$ 86,420</u>
Non-current	<u>\$ 114,530</u>	<u>\$ 178,306</u>

Range of discount rates for lease liabilities was as follows:

	December 31	
	2022	2021
Land	1.70%-5.23%	1.70%-5.23%
Buildings	1.60%-5.23%	1.60%-5.23%
Machinery	1.70%	1.70%
Office equipment	4.50%	4.50%
Transportation equipment	-	-

c. Material leasing activities and terms

The Group leases certain buildings for use as offices with lease terms of 1 to 20 years. The Group does not have bargain purchase options to acquire the leasehold buildings at the end of the lease terms. In addition, the Group is prohibited from subleasing or transferring all or any portion of the underlying assets without the lessor's consent.

Due to the impact of the COVID-19 pandemic in 2022, the Group negotiated with the lessor for rent concessions. The lessor agreed to provide an unconditional rent reduction from January to April 2022, and the Group recognized profit or loss of \$2,677 thousand (recognized as other gains and losses) for the year 2022. In addition, the Group recognized a gain on lease modification of \$20,906 thousand due to the early termination of the lease in Texas.

d. Other lease information

Lease arrangements under operating leases for the leasing of investment properties and freehold property, plant and equipment are set out in Notes 14 and 16.

	For the Year Ended December 31	
	2022	2021
Expenses relating to short-term leases	<u>\$ 3,833</u>	<u>\$ 8,992</u>
Expenses relating to low-value asset leases	<u>\$ 2,378</u>	<u>\$ 2,045</u>
Total cash outflow for leases	<u>\$ 120,142</u>	<u>\$ 118,873</u>

The Group leases certain office equipment assets which qualify as short-term leases and low-value asset leases. The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

16. INVESTMENT PROPERTIES

	Completed Investment Property
Balance at January 1, 2021	\$ 1,888,919
Addition	-
Loss on change in fair value of investment properties	(27,264)
Effect of foreign currency exchange differences	<u>(9,629)</u>
Balance at December 31, 2021	<u>\$ 1,852,026</u>

(Continued)

	Completed Investment Property
Balance at January 1, 2022	\$ 1,852,026
Addition	644
Loss on change in fair value of investment properties	(29,679)
Effect of foreign currency exchange differences	<u>24,577</u>
Balance at December 31, 2022	<u>\$ 1,847,568</u> (Concluded)

The investment properties were leased out for 1 to 10 years. All lease contracts contain market review clauses applicable to contract renewals. The lessee does not have a bargain purchase option to acquire the investment property at the expiry of the lease period.

The maturity analysis of lease payments receivable under operating leases of investment properties at December 31, 2022 and 2021 was as follows:

	December 31	
	2022	2021
Year 1	\$ 123,645	\$ 166,186
Year 2	102,954	119,334
Year 3	116,286	121,471
Year 4	95,965	116,667
Year 5	95,020	93,571
Year 6 onwards	<u>423,918</u>	<u>417,502</u>
	<u>\$ 957,788</u>	<u>\$ 1,034,731</u>

The fair values of investment properties with a carrying amount of at least 10% of the total assets as of December 31, 2022 and 2021 were based on the valuations carried out by independent qualified professional appraisers, Jin Sheng Lin and Huo Ming Huang from Prudential Cross-Strait Real Estate Appraisers Firm, members of certified ROC real estate appraisers, who concluded that the fair values were reasonable.

The fair value of investment properties was estimated using unobservable inputs (Level 3). The movements in the fair value were as follows:

	Taiwan	Beijing	Total
Balance at January 1, 2021	\$ 257,941	\$ 1,630,978	\$ 1,888,919
Addition	-	-	-
Recognized in profit or loss (gain arising from the change in fair value of investment property)			
Unrealized	1,810	(29,074)	(27,264)
Recognized in other comprehensive income (exchange differences on translating foreign operations)	<u>-</u>	<u>(9,629)</u>	<u>(9,629)</u>
Balance at December 31, 2021	<u>\$ 259,751</u>	<u>\$ 1,592,275</u>	<u>\$ 1,852,026</u> (Continued)

	Taiwan	Beijing	Total
Balance at January 1, 2022	\$ 259,751	\$ 1,592,275	\$ 1,852,026
Addition	644	-	644
Recognized in profit or loss (gain arising from the change in fair value of investment property)			
Unrealized	(12,807)	(16,872)	(29,679)
Recognized in other comprehensive income (exchange differences on translating foreign operations)	<u>-</u>	<u>24,577</u>	<u>24,577</u>
Balance at December 31, 2022	<u>\$ 247,588</u>	<u>\$ 1,599,980</u>	<u>\$ 1,847,568</u> (Concluded)

The fair value of investment properties was measured using the income approach. The significant assumptions used were stated below. The increase in estimated future net cash inflows, or the decrease in discount rates would result in increase in the fair value.

	<u>December 31</u>	
	2022	2021
Expected future cash inflows	\$ 3,274,485	\$ 3,234,952
Expected future cash outflows	<u>(289,408)</u>	<u>(269,162)</u>
Expected future cash inflows, net	<u>\$ 2,985,077</u>	<u>\$ 2,965,790</u>
Discount rate	2.97%-6.15%	2.35%-6.10%

The market rentals for comparable properties in the area where the investment property is located were between \$1 thousand and \$3 thousand per ping (per 3.3 square meters).

Most investment properties had been leased out under operating leases. The rental income generated for the years 2022 and 2021 were \$168,865 thousand and \$148,699 thousand, respectively. The disposal value of investment properties were \$1,956,059 thousand and \$1,963,435 thousand under the income approach on December 31, 2022 and 2021, respectively.

The expected future cash inflows generated by investment property included rental income, interest income on rental deposits and disposal value. The rental income was extrapolated using the Group's current rental, taking into account the annual rental growth rate; the income analysis covers a 10-year period, the interest income on rental deposits was extrapolated using the Group's current rental, taking into account the annual rental growth rate; the time deposit interest rate for a 1-year; the disposal value was determined using the direct capitalization method under the income approach. The expected future cash outflows incurred by investment property included expenditure such as land value taxes, house taxes, maintenance costs, administrative expenses and insurance premium. These expenditures were extrapolated on the basis of the current level of expenditures, taking into account the future adjustment to the government-announced land value, the tax rate promulgated under the House Tax Act.

The discount rate was determined by reference to the interest rate for 2-year time deposits as posted by Chunghwa Post Co., Ltd., plus 0.75%, and any asset-specific risk premiums between 0.72% and 4.00%.

The investment properties held by the Group were all own interest. The investment properties pledged as collateral for bank borrowings were set out in Note 35.

17. INTANGIBLE ASSETS

Movements of intangible assets for the years ended December 31, 2022 and 2021 were as follows:

	2022		
	Patents	Computer Software	Total
<u>Cost</u>			
Balance at beginning of the year	\$ 43,221	\$ 573,221	\$ 616,442
Acquisition	-	82,662	82,662
Disposal	-	(4,762)	(4,762)
Effect of foreign currency exchange differences	<u>5</u>	<u>5,572</u>	<u>5,577</u>
Balance at end of the year	<u>\$ 43,226</u>	<u>\$ 656,693</u>	<u>\$ 699,919</u>
<u>Accumulated amortization and impairment</u>			
Balance at beginning of the year	\$ (42,877)	\$ (509,342)	\$ (552,219)
Amortization	(36)	(75,912)	(75,948)
Disposal	-	4,735	4,735
Effect of foreign currency exchange differences	<u>-</u>	<u>(4,471)</u>	<u>(4,471)</u>
Balance at end of the year	<u>\$ (42,913)</u>	<u>\$ (584,990)</u>	<u>\$ (627,903)</u>
	2021		
	Patents	Computer Software	Total
<u>Cost</u>			
Balance at beginning of the year	\$ 56,163	\$ 697,691	\$ 753,854
Acquisition	356	42,474	42,830
Disposal	(13,298)	(166,729)	(180,027)
Effect of foreign currency exchange differences	<u>-</u>	<u>(215)</u>	<u>(215)</u>
Balance at end of the year	<u>\$ 43,221</u>	<u>\$ 573,221</u>	<u>\$ 616,442</u>
<u>Accumulated amortization and impairment</u>			
Balance at beginning of the year	\$ (56,163)	\$ (639,666)	\$ (695,829)
Amortization	(12)	(36,617)	(36,629)
Disposal	13,298	166,729	180,027
Effect of foreign currency exchange differences	<u>-</u>	<u>212</u>	<u>212</u>
Balance at end of the year	<u>\$ (42,877)</u>	<u>\$ (509,342)</u>	<u>\$ (552,219)</u>

The above items of intangible assets are amortized on a straight-line basis over the estimated useful life of the asset:

Patents	3-10 years
Computer software	2-5 years

18. OTHER ASSETS

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
Prepaid expense	\$ 56,833	\$ 52,614
Prepayments of purchases of merchandise	1,150,231	109,845
Excess value-added tax paid	51,073	27,162
Income tax refund receivable	-	26
Value-added tax receivable	46,578	39,423
Temporary payment	9,214	36,320
Refundable deposits	77,727	104,282
Overdue receivables	2,090	2,090
Less: Allowance for doubtful accounts	(2,090)	(2,090)
Others	<u>3,086</u>	<u>15,824</u>
	<u>\$ 1,394,742</u>	<u>\$ 385,496</u>
Current	\$ 1,313,929	\$ 265,390
Non-current	<u>80,813</u>	<u>120,106</u>
	<u>\$ 1,394,742</u>	<u>\$ 385,496</u>

19. BORROWINGS

a. Long-term borrowings

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
Secured borrowings		
Bank loans	\$ 952,000	\$ 765,000
Unsecured borrowings		
Bank loans	1,750,000	1,350,000
Less: Current portion	<u>(692,000)</u>	<u>(950,000)</u>
Long-term borrowings	<u>\$ 2,010,000</u>	<u>\$ 1,165,000</u>

The long-term borrowings of the Group included:

		<u>December 31</u>	
		<u>2022</u>	<u>2021</u>
Taiwan Cooperative Bank - unsecured loan	Credit line: \$300,000 thousand Period: November 4, 2020-November 4, 2025 Payment: From May 2023, the loan will be repaid in six semi-annual installments of \$50,000 thousand for each installment.	\$ 300,000	\$ 300,000
Mega International Commercial Bank - unsecured loan	Credit line: \$500,000 thousand Period: January 31, 2019-January 30, 2022 Payment: From one year after the signing date, the loan will be repaid in one annual installment of \$50,000 thousand; \$400,000 thousand for the last installment.	-	400,000

(Continued)

		December 31	
		2022	2021
Mega International Commercial Bank - secured loan	Credit line: \$600,000 thousand Period: June 4, 2019-June 3, 2022 Payment: From one year after the signing date, the loan will be repaid in the first (10%) and second (10%) annual installments; 80% will be repaid in full on the last installment.	\$ -	\$ 200,000
Mega International Commercial Bank - secured loan	Credit line: \$600,000 thousand Period: March 24, 2020-March 24, 2023 Payment: From one year after the signing date, the loan will be repaid in first (10%) and second (10%) annual installments; 80% will be repaid in full on the last installment.	330,000	330,000
Mega International Commercial Bank - unsecured loan	Credit line: \$500,000 thousand Period: April 19, 2022-April 19, 2025 Payment: From one year after the signing date, the loan will be repaid in the first (10%) and second (10%) annual installments; 80% will be repaid in full on the last installment.	500,000	-
Mega International Commercial Bank - secured loan	Credit line: \$600,000 thousand Period: April 19, 2022-April 19, 2025 Payment: From one year after the signing date, the loan will be repaid in the first (10%) and second (10%) annual installments; 80% will be repaid in full on the last installment.	470,000	-
O-Bank Co., Ltd. and China Bills Financial Corporation - \$1.7 billion syndicated loan	Credit line: \$300,000 thousand Period: December 24, 2020-December 24, 2023 Payment: Each loan will be repaid on maturity date. The unliquidated loan may be recycled. The maturity date is three years after the date of the first use.	152,000	235,000
CTBC Bank - unsecured loan	Credit line: \$300,000 thousand Period: October 24, 2019-October 24, 2022 Payment: From one year after the signing date, the loan will be repaid in seven installments of 10% each installment every three months; 30% will be repaid on the last installment.	-	150,000
CTBC Bank - unsecured loan	Credit line: \$400,000 thousand Period: August 26, 2022-August 26, 2025 Payment: From one year after the signing date, the loan will be repaid in four installments of 15% each installment every six months; 40% will be repaid on the last installment.	400,000	-
KGIB - unsecured loan	Credit line: \$300,000 thousand Period: January 22, 2021-January 22, 2024 Payment: The amount will start to diminish from the date of the one-year expiration of the contract. The loan will be repaid by installments of \$30,000 thousand annually. On the third year, the remaining \$240,000 thousand will be settled in full.	-	300,000
KGIB - unsecured loan	Credit line: \$500,000 thousand Period: April 22, 2022-April 22, 2025 Payment: The amount will start to diminish from the date of the half-year expiration of the contract. The loan will be repaid by installments of \$100,000 thousand annually. On the third year, the remaining \$300,000 thousand will be settled in full.	450,000	-
JihSun International Commercial Bank - unsecured loan	Credit line: \$200,000 thousand Period: January 22, 2021-July 30, 2022 Payment: The loan will be repaid on maturity date on July 30, 2022.	-	200,000
JihSun International Commercial Bank - unsecured loan	Credit line: \$300,000 thousand Period: July 1, 2022-July 1, 2024 Payment: The loan will be repaid on the maturity date on July 30, 2024.	100,000	-
Less: Current portion		(692,000)	(950,000)
Total long-term borrowings		<u>\$ 2,010,000</u>	<u>\$ 1,165,000</u> (Concluded)

As of December 31, 2022 and 2021, the weighted average effective interest rates of the bank borrowings were 1.73%-2.13% and 1.39%-1.79%, respectively.

The Group had applied to O-Bank Co., Ltd. and China Bills Finance for \$1,700,000 thousand of a syndicated loan in December 2020. The facility of the bank borrowings and commercial paper was \$300,000 thousand and \$1,400,000 thousand, respectively. The loan is utilized during the date starting from the first three years, the Group shall maintain the following financial ratios and restrictions during the contract period, and the financial ratios should be reviewed based on the audited consolidated annual financial statements:

- Current ratio: Current assets divided by current liabilities, no less than 100%.
- Liability ratio: Total liabilities divided by net tangible assets, no more than 200%.
- Net tangible assets: No less than \$3,000,000 thousand.

The above financial ratios are reviewed at least once a year. If the Group violates the foregoing financial ratios, the administration bank will host a conference to decide whether that is a breach of the contract. If the banks decided that there was a breach of the contract, all of the debts become due and the Group should liquidate all the debts upon receiving the notification from the administration bank.

Refer to Note 35 for the carrying amount of assets pledged by the Group to secure borrowings banking facilities.

b. Long-term bills payable

	December 31	
	2022	2021
Commercial paper	\$ 708,000	\$ 1,102,000
Less: Unamortized discount on bills payable	(648)	(516)
Less: Current portion	<u>(707,352)</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ 1,101,484</u>

Outstanding long-term bills payable were as follows:

Promissory Institutions	Nominal Amount	Discount Amount	Carrying Value	Interest Rate
<u>December 31, 2022</u>				
China Bills Finance	<u>\$ 708,000</u>	<u>\$ 648</u>	<u>\$ 707,352</u>	2.007%-2.165%
<u>December 31, 2021</u>				
China Bills Finance	<u>\$ 1,102,000</u>	<u>\$ 516</u>	<u>\$ 1,101,484</u>	1.229%-1.402%

- 1) The payables of the commercial paper was recurring issued within three years, handing fees and interests were repaid only in the loan period. For more details of the contracts, refer to foregoing syndicated loan contract.
- 2) Refer to Note 35 for the carrying amount of long-term bills payable pledged by the Group to secure borrowings banking facilities.

20. NOTES AND ACCOUNTS PAYABLE (INCLUDED RELATED PARTIES)

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
Notes payable	\$ 678	\$ 729
Accounts payable	891,369	920,756
Accounts payable - related parties	<u>34,464</u>	<u>33,695</u>
	<u>\$ 926,511</u>	<u>\$ 955,180</u>

The average term of payment is 60 to 90 days. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

21. OTHER LIABILITIES

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
<u>Other payables</u>		
Salaries and bonuses	\$ 630,235	\$ 562,095
Employees' compensation and remuneration of directors (Note 26)	775,047	786,173
Royalties and technical service fees	6,514	4,496
Advertisement	24,743	22,504
Professional fees	17,251	16,855
Research and development	24,824	81,836
Pension (Note 23)	13,105	13,194
Equipment	26,050	29,171
Purchase of intangible assets	25,203	31,571
Indemnity (Note 36)	4,126	4,126
Others	<u>184,170</u>	<u>172,824</u>
	<u>\$ 1,731,268</u>	<u>\$ 1,724,845</u>
<u>Other liabilities</u>		
Advance receipts (Note 34)	\$ 2,322,986	\$ 479,037
Temporary receipts	188	413
Receipts under custody	29,185	21,294
Equipment - non-current	4,282	4,947
Guarantee deposit (Note 34)	134,952	44,023
Deferred credit	1,896	1,896
Credit balance of investments accounted for using the equity method (Note 13)	<u>-</u>	<u>32</u>
	<u>\$ 2,493,489</u>	<u>\$ 551,642</u>
Current		
Other payables	<u>\$ 1,731,268</u>	<u>\$ 1,724,845</u>
Other liabilities	<u>\$ 2,352,359</u>	<u>\$ 500,744</u>
Non-current		
Other payables	<u>\$ -</u>	<u>\$ -</u>
Other liabilities	<u>\$ 141,130</u>	<u>\$ 50,898</u>

22. PROVISIONS

	December 31	
	2022	2021
Provisions for discounts and allowances	<u>\$ 290,786</u>	<u>\$ 139,684</u>
Current	\$ 290,786	\$ 139,684
Non-current	<u>-</u>	<u>-</u>
	<u>\$ 290,786</u>	<u>\$ 139,684</u>

Movement of provisions for the years ended December 31, 2022 and 2021 was as follows:

	For the Year Ended December 31	
	2022	2021
Balance at beginning of the year	\$ 139,684	\$ 10,332
Provisions recognized	214,950	131,565
Reversal of unused balance	<u>(63,848)</u>	<u>(2,213)</u>
Balance at end of the year	<u>\$ 290,786</u>	<u>\$ 139,684</u>

23. RETIREMENT BENEFIT PLANS

Defined Contribution Plans

The pension plan under the Labor Pension Act (LPA) is a defined contribution plan. Based on the LPA, the Group makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages. Besides, the employees of non-Taiwan subsidiaries are members of a state-managed retirement benefit plan operated by local government. The subsidiary is required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

The total expenses recognized in the consolidated statement of comprehensive income were \$94,643 and \$103,210 thousand, representing the contributions to these plans by the Group at the rates specified in the plans for the years ended December 31, 2022 and 2021, respectively. As of December 31, 2022 and 2021, the amounts of contributions payable were \$13,105 thousand and \$13,194 thousand, respectively.

Defined Benefit Plans

Based on the defined benefit plan under the Labor Standards Act (LSA), pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. VIA and VLI contributed amounts equal to 2% of total monthly salaries and wages to the pension fund administered by the pension fund monitoring committee. The pension fund is deposited in Bank of Taiwan in the committee's name. Before the end of each year, the Group assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Group is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Group has no right to influence the investment policy and strategy.

The amounts included in the consolidated balance sheets in respect of the obligation of VIA and VLI under the defined benefit plans were as follows:

	December 31	
	2022	2021
Present value of defined benefit obligation	\$ (636,710)	\$ (667,951)
Fair value of plan assets	<u>327,955</u>	<u>314,134</u>
Deficit	(308,755)	(353,817)
Asset ceiling	<u>-</u>	<u>-</u>
Net defined benefit liabilities	<u>\$ (308,755)</u>	<u>\$ (353,817)</u>
Defined benefit liabilities	<u>\$ 308,755</u>	<u>\$ 353,817</u>

Movements in net defined benefit liability were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liability
Balance at January 1, 2021	\$ (645,785)	\$ 305,838	\$ (339,947)
Service cost			
Current service cost	(4,805)	-	(4,805)
Net interest (expense) income	<u>(3,233)</u>	<u>1,542</u>	<u>(1,691)</u>
Recognized in profit or loss	<u>(8,038)</u>	<u>1,542</u>	<u>(6,496)</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	3,962	3,962
Actuarial loss - changes in demographic assumptions	(19,351)	-	(19,351)
Actuarial gain - changes in financial assumptions	270	-	270
Actuarial gain - experience adjustments	<u>2,674</u>	<u>-</u>	<u>2,674</u>
Recognized in other comprehensive income	<u>(16,407)</u>	<u>3,962</u>	<u>(12,445)</u>
Contributions from the employer	-	5,071	5,071
Benefits paid	<u>2,279</u>	<u>(2,279)</u>	<u>-</u>
Balance at December 31, 2021	<u>\$ (667,951)</u>	<u>\$ 314,134</u>	<u>\$ (353,817)</u>
Balance at January 1, 2022	\$ (667,951)	\$ 314,134	\$ (353,817)
Service cost			
Current service cost	(4,642)	-	(4,642)
Net interest (expense) income	<u>(3,355)</u>	<u>1,584</u>	<u>(1,771)</u>
Recognized in profit or loss	<u>(7,997)</u>	<u>1,584</u>	<u>(6,413)</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	24,794	24,794
Actuarial loss - changes in demographic assumptions	(186)	-	(186)
Actuarial gain - changes in financial assumptions	25,861	-	25,861
Actuarial loss - experience adjustments	<u>(4,261)</u>	<u>-</u>	<u>(4,261)</u>
Recognized in other comprehensive income	<u>21,414</u>	<u>24,794</u>	<u>46,208</u>

(Continued)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liability
Contributions from the employer	\$ -		\$ 5,267
Benefits paid	<u>17,824</u>	<u>(17,824)</u>	<u>-</u>
Balance at December 31, 2022	<u>\$ (636,710)</u>	<u>\$ 327,955</u>	<u>\$ (308,755)</u> (Concluded)

An analysis by function of the amounts recognized in profit or loss in respect of the defined benefit plans was as follows:

	For the Year Ended December 31	
	2022	2021
<u>Summary of functions</u>		
Operating costs	\$ 359	\$ 349
Selling and marketing expenses	427	454
General and administrative expenses	2,051	2,040
Research and development expenses	<u>3,576</u>	<u>3,653</u>
	<u>\$ 6,413</u>	<u>\$ 6,496</u>

Through the defined benefit plans under the LSA, the Group is exposed to the following risks:

- a. Investment risk: The plan assets are invested in domestic/and foreign/equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.
- b. Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.
- c. Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2022	2021
Discount rates	1.375%-1.750%	0.500%-1.000%
Expected rates of salary increase	3.500%-4.750%	3.000%-4.750%

If possible reasonable change in each of the significant actuarial assumptions occur and all other assumptions remain constant, the present value of the defined benefit obligation will increase (decrease) as follows:

	December 31	
	2022	2021
Discount rates		
0.25% increase	<u>\$ (15,514)</u>	<u>\$ (17,886)</u>
0.25% decrease	<u>\$ 16,077</u>	<u>\$ 18,557</u>
Expected rates of salary increase		
0.25% increase	<u>\$ 15,470</u>	<u>\$ 17,820</u>
0.25% decrease	<u>\$ (15,012)</u>	<u>\$ (17,257)</u>

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2022	2021
The expected contributions to the plan for the next year	<u>\$ 4,657</u>	<u>\$ 5,103</u>
The average duration of the defined benefit obligation	10.0 years	11.1 years

24. EQUITY

Share Capital

Ordinary shares

	December 31	
	2022	2021
Number of authorized shares (in thousands)	<u>2,000,000</u>	<u>2,000,000</u>
Amount of authorized shares	<u>\$ 20,000,000</u>	<u>\$ 20,000,000</u>
Number of issued and fully paid shares (in thousands)	<u>497,010</u>	<u>494,411</u>
Amount of issued and fully paid shares	\$ 4,970,099	\$ 4,944,109
Additional paid-in capital	<u>98,379</u>	<u>43,580</u>
	<u>\$ 5,068,478</u>	<u>\$ 4,987,689</u>
Advance receipts for share capital	<u>\$ 12,037</u>	<u>\$ 24,881</u>

Issued ordinary shares with a par value of \$10 own the right to vote and receive the dividend from appropriation. On April 29, 2021, transferring of 150,000 thousand ordinary shares through a private placement issued in May 2010 was resolved by the board of directors in its meeting and was registered by the FSC effective on August 6, 2021.

As of December 31, 2021, employees exercised 903.3 thousand units of share options and the procedure for capital registration has not been completed; therefore, it was recognized as advance receipts for share capital. In 2022, employees exercised 2,183.2 thousand of share options. In the conversion of the aforementioned share options, 2,599 thousand shares have been applied to Ministry of Economic Affairs for its capital registration in years 2022. As of December 31, 2022, the amount of issued and fully paid shares increased to \$4,970,099 thousand, and 487.5 thousand shares were recognized as advance receipts for share capital because the capital registration has not been completed.

Capital Surplus

	December 31	
	2022	2021
Issuance of ordinary shares	\$ 98,379	\$ 43,580
Change in percentage of ownership interests in the subsidiary (Note 30)	1,065,526	1,079,566
Change in capital surplus from investments in subsidiaries and associates	11,137	10,738
Recognition of employee share options issued by the subsidiary (Note 29)	8,482	7,765
Employee share options (Note 29)	55,273	66,907
Expired employee share options	<u>3,029</u>	<u>1,134</u>
	<u>\$ 1,241,826</u>	<u>\$ 1,209,690</u>

Under the Company Law, capital surplus can only be used to offset a deficit. However, the capital surplus from share issued in excess of par (including additional paid-in capital from issuance of ordinary shares, conversion of bonds and treasury share transactions), difference between the amount of actual disposal or acquisition of interests in subsidiary and carrying value, and donations may be used to offset a deficit, which is limited to a certain percentage of the Company's paid-in capital.

According to the amendment of the Company Law, the abovementioned capital surplus may be distributed in cash. Whereas, capital surplus arises from issuing employee share options and accounted for using the equity method may not be used for any other purpose other than offset a deficit. Such capital surplus arises from employee share options or employee share options from issuance of ordinary shares, which had been exercised, may be used to offset a deficit.

Resulting from the change in capital surplus from investments in subsidiaries and associates in 2022 and 2021, adjustments of \$399 thousand and \$252 thousand were made to the investment carrying value and capital surplus, respectively.

Retained Earnings (Accumulated Deficit) and Dividend Policy

- a. Under VIA's Articles of Incorporation, VIA should make appropriations from its net income in the following order:
 - 1) To pay taxes.
 - 2) To cover accumulated losses, if any.
 - 3) To appropriate 10% legal reserve unless the total legal reserve accumulated has already reached the amount of VIA's paid-in capital.
 - 4) To appropriate or reverse special reserve in accordance with the law and regulations.

- 5) After withholding the amounts under the above item (1) to (4), then any remaining profit together with any undistributed retained earnings shall proposed by VIA’s board of directors as the basis for the distribution plan, which should be resolved in the shareholders’ meeting for distribution of dividends and bonus to shareholders.
- b. In order to consider the overall environment and long-term financial planning for sustainable and stable business development, VIA’s dividend policy is mainly based on the future capital budget plan to measure capital needs and takes into account the interests of shareholders and other factors. VIA would distribute unappropriated earnings by cash dividends or share dividends, the amount should not be less than 10% of the after-tax earnings for the year. In addition, cash dividends should not be less than 10% of total dividends.

Under the Company’s Articles, when the earnings distribution of dividends and bonuses, capital reserve or legal reserve are paid in whole or in part in the form of cash distribution, the board of directors is authorized to adopt a special resolution to distribute dividends and bonuses. Therefore, more than two-thirds of the directors shall be present, and with the consent of the majority of the directors who are present, shall report such distribution to the shareholders in their meeting.

For the policies on the distribution of employees’ compensation and remuneration of directors and supervisors, refer to Note 26 (f).

Appropriation of earnings to legal reserve shall be made until the legal reserve equals the Company’s paid-in capital. Legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company’s paid-in capital, the excess may be transferred to capital or distributed in cash.

Under Rule No. 1010012865 (repealed from December 31, 2021), Rule No. 1010047490 (repealed from March 31, 2021), Rule No. 1030006415 (repealed from December 31, 2021), Rule No. 1090150022 and Rule No. 10901500221 issued by the FSC and the directive titled “Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs”, the Company should appropriate or reverse to a special reserve. Any special reserve appropriated may be reversed to the extent that the net debit balance reverses and thereafter distributed.

The shareholders of the Company held an annual meeting on July 20, 2021 and, in that meeting, resolved the amendments to the Company’s Articles of Incorporation (the “Articles”). The amendments explicitly stipulate that a special reserve is appropriated for cumulative net debit balance reserves from prior period and cumulative net increases in fair value measurement of investment properties from prior period, and the sum of net profit for current period and items other than net profit that are included directly in the unappropriated earnings for current period is used if the prior unappropriated earnings is insufficient.

The appropriations of earnings for 2021 and 2020 respectively, which were resolved by the shareholders’ meetings on June 17, 2022 and July 20, 2021 were as follows:

	2021	2020
Legal reserve	\$ 394,847	\$ 354,878
Special reserve	314,356	595,929
Cash dividends to shareholders	495,350	395,517
Cash dividends per share (NT\$)	1.00	0.80

The appropriations of earnings for 2022 will be resolved by the Company’s board of directors and the shareholders in the shareholders’ meeting. Refer to the Market Observation Post System on the website of the Taiwan Stock Exchange for the information on the resolution of earnings distribution.

Other Equity

Exchange differences on translating the financial statements of foreign operations

	For the Year Ended December 31	
	2022	2021
Balance at January 1	\$ (666,970)	\$ (360,861)
Recognized for the year		
Exchange differences arising from translating the foreign operations	931,857	(303,428)
Exchange differences arising from investment accounted for using the equity method	1,699	(2,681)
Reclassification adjustments		
Share from the disposal of associates accounted for using the equity method	<u>-</u>	<u>-</u>
Balance at December 31	<u>\$ 266,586</u>	<u>\$ (666,970)</u>

Exchange differences relating to the translation of the results of operations and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (New Taiwan dollars) were recognized directly in other comprehensive income and accumulated in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve were reclassified to profit or loss on the disposal of the foreign operation.

Unrealized gain (loss) on financial assets at FVTOCI

	For the Year Ended December 31	
	2022	2021
Balance at January 1	\$ (22,498)	\$ (9,848)
Recognized for the year		
Unrealized gain - equity instruments	<u>(35,947)</u>	<u>(12,650)</u>
Balance at December 31	<u>\$ (58,445)</u>	<u>\$ (22,498)</u>

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

Unearned employee benefits

The associate accounted for using the equity method issued restricted shares, and the Group recognized unearned employee benefits in accordance with the percentage of ownership.

	For the Year Ended December 31, 2022
Balance at January 1	\$ -
The equity method is used to recognize the changes in the capital reserve of affiliated enterprises	<u>(1,043)</u>
Balance at December 31	<u>\$ (1,043)</u>

Non-controlling Interests

	For the Year Ended December 31	
	2022	2021
Balance at January 1	\$ 1,558,660	\$ 1,275,997
Share in profit for the year	306,057	394,143
Other comprehensive income (loss) during the year		
Exchange differences on translating the financial statements of foreign entities	516	(97)
Remeasurement on defined benefit plans	101	24
Unrealized loss on financial assets at FVTOCI	(9,412)	(2,641)
Change in percentage of ownership interests in the subsidiary (Note 30)	25,896	18,840
Employee share options issued by VLI (Note 29)	553	1,350
Cash dividends distributed by the subsidiary	<u>(325,580)</u>	<u>(128,956)</u>
Balance at December 31	<u>\$ 1,556,791</u>	<u>\$ 1,558,660</u>

25. REVENUE

	For the Year Ended December 31	
	2022	2021
Revenue from the sale of goods	\$ 7,093,156	\$ 6,051,655
Revenue from the rendering of services	<u>2,203,476</u>	<u>949,480</u>
	<u>\$ 9,296,632</u>	<u>\$ 7,001,135</u>

26. NET PROFIT (LOSS) FROM CONTINUING OPERATIONS

a. Other income

	For the Year Ended December 31	
	2022	2021
Rental income		
Operating lease rental income		
Investment properties	\$ 168,865	\$ 148,699
Others	27,734	19,796
Dividend income	5,670	3,891
Subsidy income	7,958	1,447
Others (Note)	<u>199,780</u>	<u>3,519,835</u>
	<u>\$ 410,007</u>	<u>\$ 3,693,668</u>

Note: In November 2021, Intel Corporation recruited some employees of Centaur Technology, Inc., and this transaction amounted to NT\$3,501,125 thousand (US\$125,000 thousand), which was recognized as other income.

b. Other gains and losses

	For the Year Ended December 31	
	2022	2021
Net (loss) gain of financial instruments	\$ (97,095)	\$ 1,643,422
Gain (loss) on disposal of property, plant and equipment	5,562	(5,552)
(Loss) gain on disposal of intangible assets (Notes 13 and 34)	(27)	1,081,258
Net foreign exchange gains (losses)	162,849	(37,925)
Loss from the changes in fair value of investment properties (Note 16)	(29,679)	(27,264)
Reparation loss	-	(5,733)
Gain on lease modification	24,325	12
Impairment loss on property, plant and equipment and right of use assets (Notes 14 and 15)	-	(73,231)
Others	<u>(6,906)</u>	<u>(91,663)</u>
	<u>\$ 59,029</u>	<u>\$ 2,483,324</u>

c. Finance costs

	For the Year Ended December 31	
	2022	2021
Interest on bank loans	\$ 55,930	\$ 43,437
Interest on lease liabilities	<u>9,410</u>	<u>9,750</u>
	<u>\$ 65,340</u>	<u>\$ 53,187</u>

d. Depreciation and amortization

	For the Year Ended December 31	
	2022	2021
Property, plant and equipment		
Assets used by the Group	\$ 155,746	\$ 150,708
Assets leased under operating leases	<u>1,899</u>	<u>1,899</u>
	<u>157,645</u>	<u>152,607</u>
Right-of-use assets	<u>77,534</u>	<u>101,586</u>
Intangible assets	<u>75,948</u>	<u>36,629</u>
	<u>\$ 311,127</u>	<u>\$ 290,822</u>
An analysis of depreciation by function		
Operating costs	\$ 84,436	\$ 80,258
Operating expenses	<u>150,743</u>	<u>173,935</u>
	<u>\$ 235,179</u>	<u>\$ 254,193</u>
An analysis of amortization by function		
Operating costs	\$ 1,794	\$ -
Operating expenses	<u>74,154</u>	<u>36,629</u>
	<u>\$ 75,948</u>	<u>\$ 36,629</u>

e. Employee benefits expense

	For the Year Ended December 31	
	2022	2021
Short-term benefits	\$ 2,315,507	\$ 3,209,638
Post-employment benefits (Note 23)		
Defined contribution plans	94,643	103,210
Defined benefit plans	<u>6,413</u>	<u>6,496</u>
	<u>101,056</u>	<u>109,706</u>
Share-based payment	<u>14,619</u>	<u>33,066</u>
Total employee benefits expense	<u>\$ 2,431,182</u>	<u>\$ 3,352,410</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 188,623	\$ 919,101
Selling and marketing expenses	418,923	433,852
General and administrative expenses	338,469	331,548
Research and development expenses	<u>1,485,167</u>	<u>1,667,909</u>
	<u>\$ 2,431,182</u>	<u>\$ 3,352,410</u>

f. Employees' compensation and remuneration of directors and supervisors

VIA stipulates to distribute compensation to employees and remuneration to directors and supervisors at rates no less than 5% and no higher than 1%, respectively, of net income offsetting the deficit and before tax. No compensation to employees and remuneration to directors and supervisors was recognized in 2022 due to loss before income tax. The compensation of employees and the remuneration of directors and supervisors for the years 2021, which were approved by the Company's board of directors on March 8, 2022, are as follows:

Accrual rate

	For the Year Ended December 31, 2021
Compensation of employees	5.11%
Remuneration of directors and supervisors	0.02%

Amount

	For the Year Ended December 31, 2021	
	Cash	Shares
Compensation of employees	\$ 220,000	\$ -
Remuneration of directors and supervisors	1,000	-

VLI's estimated employees' compensation and remuneration of directors and supervisors in 2022 and 2021 were \$78,000 thousand and \$900 thousand, and \$96,000 thousand and \$1,100 thousand, respectively.

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

There was no difference between the amounts of the employees' compensation and the remuneration of directors and supervisors approved by the board of directors and the amounts recognized in the consolidated financial statements for the years 2021 and 2020.

Information on the compensation to employees and remuneration to directors and supervisors resolved by the board of directors in their meeting is available at the Market Observation Post System website of the Taiwan Stock Exchange.

g. Impairment losses

	For the Year Ended December 31	
	2022	2021
Accounts receivable	<u>\$ 653</u>	<u>\$ 3,091</u>
Inventories (included in operating costs)	<u>\$ 359,670</u>	<u>\$ 212,409</u>
Property, plant and equipment (included in other income and losses)	<u>\$ -</u>	<u>\$ 22,357</u>
Right-of-use assets (included in other income and losses)	<u>\$ -</u>	<u>\$ 50,874</u>

27. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Income tax recognized in profit or loss

The major components of tax expense were as follows:

	For the Year Ended December 31	
	2022	2021
Current tax		
In respect of the current year	\$ (245,173)	\$ (246,945)
Income tax on unappropriated earnings	(108,395)	(119,885)
Adjustments for prior years	<u>(2,243)</u>	<u>3,094</u>
	<u>(355,811)</u>	<u>(363,736)</u>
Deferred tax		
In respect of the current year	<u>47,756</u>	<u>25,511</u>
Income tax expense recognized in profit or loss	<u>\$ (308,055)</u>	<u>\$ (338,225)</u>

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

	For the Year Ended December 31	
	2022	2021
Profit before tax from continuing operations	\$ <u>530,477</u>	\$ <u>4,693,312</u>
Income tax expense calculated at the statutory rate (20%)	\$ (106,095)	\$ (938,662)
Tax-exempt income	5,733	852,228
Effect of different tax rates of group entities operating in other jurisdictions	(33,675)	(58,515)
Adjustments for prior years' tax	(2,243)	3,094
Income tax on unappropriated earnings	(108,395)	(119,885)
Unrecognized loss carryforwards/deductible temporary differences	<u>(63,380)</u>	<u>(76,485)</u>
Income tax expense recognized in profit or loss	\$ <u>(308,055)</u>	\$ <u>(338,225)</u>

b. Current tax assets and liabilities

	December 31	
	2022	2021
Current tax assets		
Income tax refund receivable	\$ <u>-</u>	\$ <u>26</u>
Current tax liabilities		
Income tax payable	\$ <u>303,715</u>	\$ <u>349,695</u>

c. Deferred tax assets and liabilities

The Group offset certain deferred tax assets and deferred tax liabilities which met the offset criteria. The movements of deferred tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2022

	Opening Balance	Recognized in Profit or Loss	Exchange Differences	Closing Balance
<u>Deferred tax assets</u>				
Temporary differences				
Unrealized provision for inventory value decline	\$ 36,156	\$ 37,897	\$ -	\$ 74,053
Others	<u>113</u>	<u>4,977</u>	<u>-</u>	<u>5,090</u>
	<u>\$ 36,269</u>	<u>\$ 42,874</u>	<u>\$ -</u>	<u>\$ 79,143</u>
<u>Deferred tax liabilities</u>				
Temporary differences				
Investment properties	<u>\$ (195,270)</u>	<u>\$ 4,882</u>	<u>\$ (2,518)</u>	<u>\$ (192,906)</u>

For the year ended December 31, 2021

	Opening Balance	Recognized in Profit or Loss	Exchange Differences	Closing Balance
<u>Deferred tax assets</u>				
Temporary differences				
Unrealized provision for inventory value decline	\$ 14,611	\$ 21,545	\$ -	\$ 36,156
Others	<u>268</u>	<u>(155)</u>	<u>-</u>	<u>113</u>
	<u>\$ 14,879</u>	<u>\$ 21,390</u>	<u>\$ -</u>	<u>\$ 36,269</u>
<u>Deferred tax liabilities</u>				
Temporary differences				
Investment properties	<u>\$ (200,383)</u>	<u>\$ 4,121</u>	<u>\$ 992</u>	<u>\$ (195,270)</u>

d. Unused loss carryforward

The amounts of loss carryforward as of December 31, 2022 were as follows:

Expiry Year	Unused Amount
2023	\$ 2,240,956
2024	811,381
2025	791,149
2026	2,468,200
2027	1,494,677
2028	834,999
2029	1,600,856
2031	209,675
2032	<u>1,402</u>
	<u>\$ 10,453,295</u>

e. Income tax assessments

VIA's tax returns and its subsidiaries in Taiwan through 2020 have been assessed and approved by the tax authorities.

28. (LOSS) EARNINGS PER SHARE

Unit: NT\$ Per Share

	<u>For the Year Ended December 31</u>	
	2022	2021
Basic (loss) earnings per share	<u>\$ (0.17)</u>	<u>\$ 8.01</u>
Diluted earnings per share		<u>\$ 7.84</u>

The earnings and weighted average number of ordinary shares outstanding for the computation of earnings per share were as follows:

Net (Loss) Profit for the Years

	<u>For the Year Ended December 31</u>	
	2022	2021
Profit for the year attributable to owners of the Company	\$ <u>(83,635)</u>	\$ <u>3,960,944</u>

Shares

	Unit: In Thousands of Shares	
	<u>For the Year Ended December 31</u>	
	2022	2021
Weighted average number of ordinary shares used in computation of basic earnings per share	496,326	494,436
Effect of potentially dilutive ordinary shares		
Employee share options	-	5,046
Employees' compensation	<u>-</u>	<u>5,421</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>496,326</u>	<u>504,903</u>

29. SHARE-BASED PAYMENT ARRANGEMENTS

Employee Share Option Plan of the Company

Qualified employees of the Company and its subsidiaries were granted 5,000 thousand, 790 thousand and 4,210 thousand options in March 2020, October 2019 and November 2018, respectively. Each option entitles the holder to subscribe for one ordinary shares of the Company. The options granted are valid for 10 years and exercisable at certain percentages after the second anniversary from the grant date.

Years from the Grant Date	Accumulated Subscription Percentage
2	50%
3	75%
4	100%

The options were granted at an exercise price equal to the closing price of the Company's ordinary shares listed on the Taiwan Stock Exchange on the grant date. For any subsequent changes in the Company's capital, the exercise price is adjusted accordingly.

Information on employee share options was as follows:

	For the Year Ended December 31			
	2022		2021	
	Number of Options (In Thousands of Units)	Weighted- average Exercise Price (NT\$)	Number of Options (In Thousands of Units)	Weighted- average Exercise Price (NT\$)
Balance at January 1	7,889	\$ 21.20	9,244	\$ 22.00
Options granted	-	-	-	-
Options exercised	(2,183)	20.55	(1,255)	26.80
Options expired	<u>(230)</u>	22.31	<u>(100)</u>	24.90
Balance at December 31	<u>5,476</u>	20.91	<u>7,889</u>	21.20
Options exercisable, end of the year	<u>2,779</u>		<u>1,442</u>	
Weighted-average fair value of options granted (NT\$)				

The weighted average exercised price of employee stock options exercised in 2022 and 2021 was \$20.55 and \$26.80, respectively.

Information on outstanding options is as follows:

	December 31	
	2022	2021
Range of exercise price (NT\$)	\$17.70-\$34.00	\$18.00-\$34.60
Weighted-average remaining contractual life (in years)	6.78	7.81

Options granted in March 2020 and October 2019, were priced using the Black-Scholes pricing model and options granted in November 2018 was priced using the Binomial option pricing model, and the inputs to the model are as follows:

	March 2020	October 2019	November 2018
Grant-date share price (NT\$)	\$18.00	\$34.60	\$24.90
Exercise price	\$18.00	\$34.60	\$24.90
Expected volatility	51.61%-53.28%	52.06%-53.01%	51.61%-53.28%
Expected life (in years)	6-7	6-7	6-7
Expected dividend yield	-	-	-
Risk-free interest rate	0.5122%-0.5162%	0.6395%-0.6603%	0.5122%-0.5162%

Note:

The grant-date share prices were \$18.00, \$34.60 and \$24.90, respectively. The exercise prices were adjusted to \$17.70, \$34.00 and \$24.50, respectively, due to the payment of cash dividends in 2022.

Expected volatility was based on the average of annual standard deviation historical share price volatility over the past 6-10 years.

The Group recognized compensation cost of \$13,349 thousand and \$29,887 thousand for the years 2022 and 2021, respectively.

Employee Share Option Plan of the Subsidiary

Qualified employees of VLI, the subsidiary of the Group, were granted 3,000 thousand options on December 4, 2019. Each option entitles the holder to subscribe for one ordinary share of the subsidiary. The options granted are valid for 7 years and exercisable at certain percentages after the second anniversary from the grant date.

Years from the Grant Date	Accumulated Subscribed Percent
2	50%
3	75%
4	100%

The options were granted at an exercise price of NT\$20 per unit. For any subsequent changes in the subsidiary's capital, the exercise price is adjusted accordingly.

Information on employee share options was as follows:

	For the Year Ended December 31			
	2022		2021	
	Number of Options (In Thousands)	Weighted-average Exercise Price (NT\$)	Number of Options (In Thousands)	Weighted-average Exercise Price (NT\$)
Balance at January 1	2,383	\$ 18.73	3,000	\$ 19.03
Options granted	-	-	-	-
Options exercised	(642)	18.47	(617)	18.73
Options expired	<u>(10)</u>	18.13	<u>-</u>	-
Balance at December 31	<u>1,731</u>	18.13	<u>2,383</u>	18.73
Options exercisable at end of the year	<u>981</u>	18.13	<u>883</u>	18.73

Note: The exercise price of employee share options of VLI was NT\$20.00 on the grant date in 2019. Due to the payment of cash dividends in 2022, 2021 and 2020, and issuance of ordinary shares for cash in 2020, as of December 31, 2022, the exercise price was adjusted to NT\$18.13.

Information on outstanding options is as follows:

	December 31	
	2022	2021
Range of exercise price (NT\$)	\$18.13	\$18.73
Weighted-average remaining contractual life (in years)	2.07	2.89

Options granted were priced using the Black-Scholes-Merton option pricing model, and the inputs to the model were as follows:

	December 2019
Grant-date share price (NT\$)	\$13.69
Exercise price (NT\$)	\$20.00
Expected volatility	37.32%-37.66%
Expected life (in years)	4.5-5.5 years
Risk-free interest rate	0.58%-0.60%

The information on expected volatility of the aforementioned options was based on expected life and the average of annual standard deviation of returns in similar company.

Compensation costs of employee share option plan were \$1,270 thousand and \$3,179 thousand for the years ended December 31, 2022 and 2021, respectively.

In summary, the Group recognized compensation cost of \$14,619 thousand and \$33,066 thousand for the years ended December 31, 2022 and 2021, respectively.

30. EQUITY TRANSACTION WITH NON-CONTROLLING INTERESTS

The employees of VLI, the subsidiary of VIA, exercised share options in December 2022, which reduced the parent's interest in VLI from 57.11% to 56.49%. The changes in shares reduced capital surplus by \$14,040 thousand.

The above transactions were accounted for as equity transaction, since the Group did not lose control over the subsidiary.

	December 31	
	2022	2021
Consideration received (paid)	\$ 11,856	\$ 11,556
The proportionate share of the carrying amount of the net assets of the subsidiary transferred to non-controlling interests	-	-
Other receivables	<u>(25,896)</u>	<u>(18,840)</u>
Differences recognized from equity transaction	<u>\$ (14,040)</u>	<u>\$ (7,284)</u>
<u>Line items adjusted for equity transaction</u>		
Capital surplus - changes in percentage of ownership interests in the subsidiary	<u>\$ (14,040)</u>	<u>\$ (7,284)</u>

31. NON-CASH TRANSACTIONS

For the years ended December 31, 2022 and 2021, the Group entered into the following non-cash investing activities which were not reflected in the consolidated statements of cash flows:

- a. The Group's acquisition of property, plant and equipment in the amounts of \$30,332 thousand and \$34,118 thousand were not yet paid as of December 31, 2022 and 2021 thousand, respectively.
- b. The Group's acquisition of intangible assets - computer software in the amounts of \$25,203 thousand and \$31,571 thousand were not yet paid as of December 31, 2022 and 2021, respectively.

32. CAPITAL MANAGEMENT

The Group manages its capital to ensure the entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders by optimizing the debt and equity balance. The Group's overall strategy remains unchanged from 2021.

The capital structure of the Group consists of net liabilities (borrowings minus cash and cash equivalents) and the equity attributable to the owners of the Group (comprising issued capital, capital surplus, retained earnings and other equity).

The Group is not subject to any externally imposed capital requirements.

33. FINANCIAL INSTRUMENTS

Fair Value of Financial Instruments

a. Financial instruments not measured at fair value

The management considers that the carrying amounts of financial assets and financial liabilities not measured at fair value were approximate amounts of their fair value or the fair value cannot be measured reliably.

b. Fair value measurements recognized in the consolidated balance sheets

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic and overseas listed shares	\$ 382,207	\$ -	\$ -	\$ 382,207
Derivative	-	406	-	406
Domestic and overseas unlisted shares	-	-	1,453,998	1,453,998
Domestic private convertible bonds	-	-	315,878	315,878
	<u>\$ 382,207</u>	<u>\$ 406</u>	<u>\$ 1,769,876</u>	<u>\$ 2,152,489</u>

(Continued)

	Level 1	Level 2	Level 3	Total
Financial liabilities at FVTPL				
Derivative	\$ <u>-</u>	\$ <u>1,861</u>	\$ <u>-</u>	\$ <u>1,861</u>
Financial assets at FVTOCI				
Overseas unlisted shares	\$ -	\$ -	\$ 206,790	\$ 206,790
Overseas beneficiary certificates	<u>-</u>	<u>-</u>	<u>865,777</u>	<u>865,777</u>
	\$ <u>-</u>	\$ <u>-</u>	\$ <u>1,072,567</u>	\$ <u>1,072,567</u> (Concluded)

December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic and overseas listed shares	\$ 538,496	\$ -	\$ -	\$ 538,496
Domestic and overseas unlisted shares	-	-	1,336,886	1,336,886
Domestic private convertible bonds	<u>-</u>	<u>-</u>	<u>299,932</u>	<u>299,932</u>
	\$ <u>538,496</u>	\$ <u>-</u>	\$ <u>1,636,818</u>	\$ <u>2,175,314</u>
Financial assets at FVTOCI				
Overseas unlisted shares	\$ -	\$ -	\$ 114,066	\$ 114,066
Overseas beneficiary certificates	<u>-</u>	<u>-</u>	<u>556,049</u>	<u>556,049</u>
	\$ <u>-</u>	\$ <u>-</u>	\$ <u>670,115</u>	\$ <u>670,115</u>

There were no transfers between Levels 1 and 2 for the years ended December 31, 2022 and 2021.

c. Reconciliation of Level 3 fair value measurements of financial instruments

For the year ended December 31, 2022

Financial Assets	Financial Assets at FVTPL	Financial Assets at FVTOCI
Balance at January 1	\$ 1,636,818	\$ 670,115
Addition	-	490,697
Disposals	-	(42,886)
Recognized in profit or loss (included in other gains and losses)	47,220	-
Recognized in other comprehensive income (included in unrealized loss on financial assets at FVTOCI)	-	(45,359)
Effects of foreign currency exchange difference	<u>85,838</u>	<u>-</u>
Balance at December 31	\$ <u>1,769,876</u>	\$ <u>1,072,567</u>

For the year ended December 31, 2021

Financial Assets	Financial Assets at FVTPL	Financial Assets at FVTOCI
Balance at January 1	\$ 149,251	\$ 110,354
Reclassification	1,084,919	-
Addition	300,687	581,886
Disposals	-	(6,814)
Recognized in profit or loss (included in other gains and losses)	126,041	-
Recognized in other comprehensive income (included in unrealized loss on financial assets at FVTOCI)	-	(15,291)
Effects of foreign currency exchange difference	<u>(24,080)</u>	<u>-</u>
Balance at December 31	<u>\$ 1,636,818</u>	<u>\$ 670,115</u>

d. Valuation techniques and assumptions applied for the purpose of measuring fair value

The fair values of financial assets and financial liabilities were determined as follows:

- 1) The fair values of financial assets and financial liabilities with standard terms and conditions which are traded on active liquid markets are determined with reference to quoted market prices (includes listed corporate callable bonds, shares, draft, corporate bonds and bonds without maturity date). If such quoted prices are not available, valuation techniques are applied. The estimates and assumptions used by the Group are consistent with those that market participants would use in setting a price for the financial instrument;
- 2) The fair values of derivative instruments were calculated using quoted prices. If such quoted prices are not available, a discounted cash flow analysis was performed using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives. The estimates and assumptions used by the Group were consistent with those that market participants would use in setting a price for the financial instrument;
- 3) Valuation techniques and inputs applied for Level 2 fair value measurement

<u>Financial Instruments</u>	<u>Valuation Techniques and Inputs</u>
Derivatives - foreign exchange forward contracts	Foreign currency forward contracts were measured using quoted forward exchange rates and yield curves derived from quoted interest rates that match the maturities of the contracts.

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

<u>Financial Instruments</u>	<u>Valuation Techniques and Inputs</u>
Domestic and overseas unlisted shares	Market approach:
Overseas beneficiary certificates	a) The fair value is measured by the share price and liquidity of similar listed company.
	b) The fair value is measured based on transaction price of similar listed company with an appropriate multiplier.
	Income approach: The fair value is measured by the capitalized or discounted projected income.

(Continued)

<u>Financial Instruments</u>	<u>Valuation Techniques and Inputs</u>
Domestic private convertible bonds	Calculated by adding the conversion right to the value of the pure bond: The value of the pure bond is calculated by adding the interest compensation of the bond at the maturity date to the discounted value of the bond. In addition, the value of the conversion right is calculated based on the Black-Scholes-Merton option pricing model with the exercise price, the spot price of the conversion target, volatility rate, risk-free interest rate, cash dividend rate and duration as the evaluation parameters in the issuance method. (Concluded)

Investments in equity instruments are categorized within Level 3 of the fair value measurement hierarchy due to the lack of quoted prices in an active market; the fair values of financial assets categorized into Level 3 are based on valuations provided by market participants or quoted prices of the counterparty. Quantitative information is not disclosed since the relationship between significant unobservable inputs and the fair value cannot be fully controlled.

5) Valuation process for level 3 fair value measurement

The Group evaluates and confirms the reliability, independence and correspondence of the information sources of the estimated value. Appropriate adjustments are made to ensure the rationality of the valuation presented.

6) Sensitivity analysis of the fair value regarding reasonable and possible alternative assumption within Level 3

No sensitivity analysis using alternatives assumptions is done since the valuation of the financial instruments did not adopt self-estimation model.

Categories of Financial Instruments

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
<u>Financial assets</u>		
Financial assets at FVTPL	\$ 2,152,489	\$ 2,175,314
Financial assets at amortized cost (Note 1)	12,511,231	12,817,893
Financial assets at FVTOCI		
Equity instruments	1,072,567	670,115
<u>Financial liabilities</u>		
Financial liabilities at fair value through profit or loss	1,861	-
Financial liabilities at amortized cost (Note 2)	6,206,365	5,945,479

Note 1: The balances included financial assets at amortized cost, which comprise cash and cash equivalents, time deposits with original maturities of over than three months, accounts receivable (including related parties), other receivables, refundable deposits and other non-current financial assets.

Note 2: The balances included financial liabilities measured at amortized cost, which comprise notes and accounts payable (including related parties), other payables (including related parties), long-term borrowings (including related parties), long-term bills payable (including maturity in one year), long-term borrowings (including maturity in one year) and guarantee deposits received.

Financial Risk Management Objectives and Policies

The Group's financial instruments mainly include equity investments, accounts receivable, accounts payable, lease liabilities and long-term debt. The Group's Department of Finance and Accounting provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through analyzing the exposures by degree and magnitude of risks. These risks include market risk (including foreign exchange rate risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Group sought to minimize the effects of these risks by using derivative financial instruments and non-derivative financial instruments to hedge risk exposures. The use of financial derivatives was governed by the Group's policies approved by the board of directors, which provide written principles on foreign exchange risk, interest risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity.

a. Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (1) below) and interest rates (see (2) below).

There has been no change to the Group's exposure to market risks or the manner in which these risks were managed and measured.

1) Foreign currency risk

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the year are set out in Note 38.

Sensitivity analysis

The Group was mainly exposed to the United States dollar (USD) and Renminbi (RMB).

The following table shows the Group's sensitivity to a 2% increase and decrease in New Taiwan dollars (the functional currency) against the relevant foreign currencies. A 2% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items and foreign currency forward contracts and adjusts their translation at the end of the reporting period for a 2% change in foreign currency rates.

	Currency USD Impact		Currency RMB Impact	
	For the Year Ended December 31		For the Year Ended December 31	
	2022	2021	2022	2021
Profit or loss	\$ 24,336	\$ 13,658	\$ 137	\$ 133
Equity	160,596	147,184	4,391	1,234

2) Interest rate risk

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows.

	December 31	
	2022	2021
Fair value interest rate risk		
Financial assets	\$ 9,449,127	\$ 4,997,183
Financial liabilities	405,316	264,726
Cash flow interest rate risk		
Financial liabilities	3,409,352	3,216,484

Sensitivity analysis

The sensitivity analyses below were determined based on the Group's exposure to interest rates for both derivative and non-derivative instruments at the end of the reporting period. The financial assets exposed into interest rate risk were mainly certificates of time deposits. Because the interest rate was determined when depositing, the financial assets abovementioned were not affected by interest rate risk and excluded from the sensitivity analysis. The interest rate of financial liabilities was determined when borrowing, the financial liabilities were not affected by interest rate risk and excluded from the sensitivity analysis. For the financial liabilities exposed into cash flow risk (with floating interest rate), the Group made the assumption that the financial liabilities were outstanding during the reporting period. A 0.1% basis point increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 0.1% basis points higher/lower and all other variables were held constant, the Group's before-tax profit for the years ended December 31, 2022 and 2021 would have increased/decreased by \$3,409 thousand and \$3,216 thousand, respectively, which was mainly attributable to the Group's exposure to interest rates on its variable-rate bank borrowings.

3) Other price risk

The Group was exposed to equity price risk through its investments in equity securities and convertible bond. The equity investment is not held for trading but a strategic investment, and the Group does not aggressively trade such investments.

Sensitivity analysis

The sensitivity analyses below were determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 10% higher/lower, before-tax profit for the years ended December 31, 2022 and 2021 would have increased/decreased by \$215,208 thousand and \$217,531 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL, and the before-tax other comprehensive income for the years ended December 31, 2022 and 2021 would have increased/decreased by \$107,257 thousand and \$67,012 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

b. Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. As at the end of the reporting period, the Group's maximum exposure to credit risk, which will cause a financial loss to the Group due to failure of counterparty to discharge an obligation and financial guarantees provided by the Group, could arise from:

- 1) The carrying amount of the respective recognized financial assets as stated in the balance sheets;
- 2) The amount of contingent liabilities in relation to financial guarantee issued by the Group.

The Group adopted a policy of dealing only with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Group uses other publicly available financial information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

Accounts receivable from four largest customers amounted to \$220,970 thousand and \$397,560 thousand as of December 31, 2022 and 2021, respectively. The Group's concentration of credit risk of 48% and 59% in total accounts receivable as of December 31, 2022 and 2021, respectively, was related to the four largest customers in the Group.

c. Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

1) Liquidity and interest risk rate tables for non-derivative financial liabilities

The following table detailed the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables had been drawn up based on the undiscounted cash flows of financial liabilities. The tables included both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount was derived from the interest rate curve at the end of the reporting period.

December 31, 2022

	Weighted Average Effective Interest Rate (%)	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years	Total
<u>Non-derivative financial liabilities</u>							
Non-interest bearing		\$ 1,070,862	\$ 488,597	\$ 1,098,206	\$ 139,348	\$ -	\$ 2,797,013
Lease liabilities	1.60-5.23	4,667	9,668	38,131	87,868	26,662	166,996
Variable interest rate liabilities	2.01	-	330,000	1,069,352	2,010,000	-	3,409,352
		<u>\$ 1,075,529</u>	<u>\$ 828,265</u>	<u>\$ 2,205,689</u>	<u>\$ 2,237,216</u>	<u>\$ 26,662</u>	<u>\$ 6,373,361</u>

December 31, 2021

	Weighted Average Effective Interest Rate (%)	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years	Total
<u>Non-derivative financial liabilities</u>							
Non-interest bearing	-	\$ 885,297	\$ 726,675	\$ 1,068,053	\$ 48,970	\$ -	\$ 2,728,995
Lease liabilities	1.60-5.23	11,056	14,730	60,634	148,842	29,464	264,726
Variable interest rate liabilities	1.46	<u>460,000</u>	<u>-</u>	<u>490,000</u>	<u>2,266,484</u>	<u>-</u>	<u>3,216,484</u>
		<u>\$ 1,356,353</u>	<u>\$ 741,405</u>	<u>\$ 1,618,687</u>	<u>\$ 2,464,296</u>	<u>\$ 29,464</u>	<u>\$ 6,210,205</u>

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities was subject to change if changes in variable interest rates differ from those interest rates determined at the end of the reporting period.

2) Financing facilities

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
Unsecured bank loan facility:		
Amount used	\$ 1,750,000	\$ 1,350,000
Amount unused	<u>450,000</u>	<u>-</u>
	<u>\$ 2,200,000</u>	<u>\$ 1,350,000</u>
Secured bank loan facility:		
Amount used	\$ 1,660,000	\$ 1,867,000
Amount unused	<u>1,120,000</u>	<u>853,000</u>
	<u>\$ 2,780,000</u>	<u>\$ 2,720,000</u>

34. RELATED-PARTY TRANSACTIONS

Transactions, account balances and revenue and expense between VIA and its subsidiaries, which were related parties of VIA, had been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties were as follows:

a. The names and relationships of related parties

<u>Related Party</u>	<u>Related-Party Category</u>
VIA Telecom Co., Ltd.	Associate
Catchplay Media Holdings Ltd.	Associate
Shengchuang Intelligent Education (Shandong) Co., Ltd.	Associate
Shanghai Zhaoxin Semiconductor Co., Ltd. (Note 1)	Other related party/associate
Beijing Zhaoxin Electronic Technology Co., Ltd. (Note 1)	Other related party/associate
VIA Alliance Technology, Inc. (Note 1)	Other related party/associate
Fortune Core Technology Co., Ltd. (Note 1)	Other related party
EverPro Technologies Company Ltd. (Note 2)	Other related party
EverProsper Technologies Company Ltd. (Note 2)	Other related party
HTC Communication Technology (Beijing) Co., Ltd.	Other related party
HTC Communication Co., Ltd.	Other related party
Chinese Christian Faith and Love Foundation	Other related party

(Continued)

<u>Related Party</u>	<u>Related-Party Category</u>
Way Lien Technology Inc.	Other related party
HTC Corporation	Other related party
Wuhan Dopod Communication Corp.	Other related party
Dopod International Corp.	Other related party
Beijing Dopod Technology Ltd.	Other related party
Shanghai Investment Consulting (Shanghai) Co., Ltd.	Other related party
Shenzhen Weisheng Shanghai Technology Co., Ltd.	Other related party
Chander Electronics Corp.	Other related party
Prime Technology (Guangzhou) Co., Ltd.	Other related party
Xander International Corp.	Other related party
AREX (TWN) International Co., Ltd.	Other related party
First International Computer, Inc.	Other related party
Chinese Human Resources Institute of Social Technology Inc.	Other related party
Chiuan-En Foundation	Other related party
FHL Creative Ltd.	Other related party
FHL Cultural and Educational Foundation	Other related party
TVBS Media Inc.	Other related party

(Concluded)

Note 1: The Group accounted for the remaining interest of Shanghai Zhaoxin Semiconductor Co., Ltd. as financial assets at FVTPL instead of using the equity method in March 2021 since it ceased to have significant influence over it. Beijing Zhaoxin Electronic Technology Co., Ltd., VIA Alliance Technology, Inc., VIA Alliance Semiconductor (BVI) Co., Ltd. and Fortune Core Technology Co., Ltd. are direct and indirect 100% subsidiaries of Shanghai Zhaoxin Semiconductor Co., Ltd. Since March 2021, the abovementioned companies were changed from associate to related party in substance.

Note 2: EverPro Technologies Company Ltd. and EverProsper Technologies Company Ltd. were changed from related parties in substance to non-related parties in April 2022 because the Group lost influence on both of those companies.

b. Operating transactions

	<u>For the Year Ended December 31</u>	
	<u>2022</u>	<u>2021</u>
<u>Sales</u>		
Associates		
Shanghai Zhaoxin Semiconductor Co., Ltd.	\$ -	\$ 265,220
Others	3,965	4,519
Other related parties		
Shanghai Zhaoxin Semiconductor Co., Ltd.	1,713,696	1,051,258
Others	<u>4,931</u>	<u>8,151</u>
	<u>\$ 1,722,592</u>	<u>\$ 1,329,148</u>

Selling prices to related parties are similar with other regular sales except for some kinds of merchandise that have no comparison and some other related parties whose prices are less than normal due to greater sales volume. Terms of credit for both related and unrelated parties are similar except for some other related parties that adopted the offset of credits and debits of property.

	For the Year Ended December 31	
	2022	2021
<u>Other operating income</u>		
Associates		
Shanghai Zhaoxin Semiconductor Co., Ltd.	\$ -	\$ 100,293
Others	-	2,284
Other related parties		
Shanghai Zhaoxin Semiconductor Co., Ltd.	753,647	717,482
Others	<u>14,011</u>	<u>8,727</u>
	<u>\$ 767,658</u>	<u>\$ 828,786</u>

The Group entered into technical support and supervision agreements with related parties and recognized service income according to agreements.

	For the Year Ended December 31	
	2022	2021
<u>Purchase</u>		
Associates	\$ -	\$ 2,917
Other related parties	<u>107,762</u>	<u>91,253</u>
	<u>\$ 107,762</u>	<u>\$ 94,170</u>

Terms of purchasing prices and payment for both related and unrelated parties are similar.

The following balances of accounts receivable from related parties were outstanding at the end of the reporting period:

	December 31	
	2022	2021
Other related parties	<u>\$ 1,930</u>	<u>\$ 2,750</u>

The amount of accounts receivable listed above is the total amount of accounts receivable without deducting allowance for loss.

The following balances of accounts payable to related parties were outstanding at the end of the reporting period:

	December 31	
	2022	2021
Other related parties	<u>\$ 34,464</u>	<u>\$ 33,695</u>

The outstanding accounts payable to related parties are unsecured and will be settled in cash. The outstanding accounts receivable from related parties are unsecured.

c. Lease arrangements - the Group is lessee

	December 31	
	2022	2021
<u>Acquisition of right-of-use assets</u>		
Other related parties		
Shenzhen Weisheng Shanghua Technology Co., Ltd.	\$ -	\$ 56,112
Shanghua Investment Consulting (Shanghai) Co., Ltd.	<u>-</u>	<u>69,508</u>
	<u>\$ -</u>	<u>\$ 125,620</u>
<u>Lease liabilities</u>		
Other related parties		
Shenzhen Weisheng Shanghua Technology Co., Ltd.	\$ 39,909	\$ 49,481
Shanghua Investment Consulting (Shanghai) Co., Ltd.	<u>-</u>	<u>65,069</u>
	<u>\$ 39,909</u>	<u>\$ 114,550</u>
<u>Interest expense</u>		
Other related parties	<u>\$ 4,736</u>	<u>\$ 4,144</u>
<u>Lease expense</u>		
Other related parties	<u>\$ 530</u>	<u>\$ 432</u>

The Group rented the offices from the above related parties. Rental prices were determined based on the prevailing rates in the surrounding area.

d. Acquisition of other assets

	December 31	
	2022	2021
<u>Property, plant and equipment</u>		
Computer equipment		
Other related parties	<u>\$ 8,269</u>	<u>\$ -</u>
<u>Other assets</u>		
Acquisition of intangible assets		
Other related parties	<u>\$ 3,857</u>	<u>\$ 3,373</u>

e. Compensation of key management personnel

	For the Year Ended December 31	
	2022	2021
Short-term benefits	\$ 46,985	\$ 67,013
Share-based payment	2,139	4,822
Post-employment benefits	730	901
Other benefits	<u>240</u>	<u>240</u>
	<u>\$ 50,094</u>	<u>\$ 72,976</u>

The remuneration of directors and key executives, as determined by the remuneration committee, was based on the performance of individuals and market trends.

f. Other transactions with related parties

1) Lease items - rental income

	For the Year Ended December 31	
	2022	2021
Associates	\$ -	\$ 268
Other related parties	<u>26,663</u>	<u>24,287</u>
	<u>\$ 26,663</u>	<u>\$ 24,555</u>

The Group rented out part of its land and building and improvements to the related parties. Rental prices were determined based on the prevailing rates in the surrounding area.

2) Other income

	For the Year Ended December 31	
	2022	2021
Associates		
VIA Telecom Co., Ltd.	\$ 40,620	\$ 1,517
Others	600	800
Other related parties	<u>13,139</u>	<u>5,462</u>
	<u>\$ 54,359</u>	<u>\$ 7,779</u>

The Group has entered into management support, technical consulting, and supervision agreements. The support revenue accounted for based on these agreements were recognized as other income, others were miscellaneous and samples revenue.

3) Other receivables

	December 31	
	2022	2021
Other related parties	<u>\$ 1,118</u>	<u>\$ 7,060</u>

4) Loans

For the year ended December 31, 2022: None

	Account	For the Year Ended December 31, 2021			
		Maximum Amounts	Ending Balance	Interest Rate Interval %	Interest Expense
Other related party					
Wuhan Dopod Communication Corp.	Long-term payables	<u>\$ 96,925</u>	<u>\$ -</u>	1.50	<u>\$ 451</u>

5) Other payables

	December 31	
	2022	2021
Other related parties	<u>\$ 11,225</u>	<u>\$ 6,398</u>

6) Advance receipts

	December 31	
	2022	2021
Other related parties		
Shanghai Zhaoxin Semiconductor Co., Ltd.	348,948	\$ 101,138
Others	<u>24,155</u>	<u>24</u>
	<u>\$ 373,103</u>	<u>\$ 101,162</u>

The Group's advance receipts mainly refer to the advance receipt of technical service income and advance receipt of goods from the abovementioned related parties.

7) Research expense

	For the Year Ended December 31	
	2022	2021
Other related parties	<u>\$ 230</u>	<u>\$ 1,902</u>

8) Guarantee deposits

	For the Year Ended December 31	
	2022	2021
Other related parties	<u>\$ 77</u>	<u>\$ 299</u>

9) Property transactions

For business cooperation and development, the board of directors of VIA on October 26, 2020 approved that VIA and its subsidiaries, VIABASE CO., LTD. and VIATECH CO., LTD., sold intellectual property rights (excluding patent rights) related to chipsets and processors to Shanghai Zhaoxin Semiconductor Co., Ltd., the amount of chipsets was \$3,958,003 (US\$138,975 thousand); VIABASE CO., LTD. sold intellectual property rights of processors at \$3,372,559 thousand (US\$118,418 thousand). The prices were determined based on the evaluation report issued by Taiwan Enterprise Asset Appraisal Consulting Co., Ltd., and were reviewed by the accountant JUAN, CHIUNG-HUA, of YuanHe Certified Public Accountants with reasonableness opinion. Since the Group has significant influence on Shanghai Zhaoxin Semiconductor Co., Ltd., the unrealized gain of \$1,081,258 thousand (US\$37,965 thousand) would be eliminated in accordance with the 14.75% of ownership and recognized as other liabilities. In the first quarter of 2021, the Group ceased to have significant influence over Shanghai Zhaoxin Semiconductor Co., Ltd. and recognized the remaining unrealized gain as gain on disposal of intangible assets. The amount was received until September 30, 2021.

35. ASSETS PLEDGED AS COLLATERAL

The following assets were provided as collateral for bank borrowings and court as follows:

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
Property, plant and equipment, net	\$ 1,051,868	\$ 1,058,206
Investment properties	<u>247,588</u>	<u>259,751</u>
	<u>\$ 1,299,456</u>	<u>\$ 1,317,957</u>

36. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

Significant Commitments

- a. As of December 31, 2022, the amount of customs duties confirmed by banks for importing goods was \$4,550 thousand.
- b. VLI entered into a product development agreement with a vendor. There was a dispute between both sides on the quality of product for acceptance. Taiwan Taipei District Court adjudged that VLI won the first lawsuit case on April 7, 2021. The vendor disagreed and filed an appeal to Taiwan High Court on April 27 of the same fiscal year. The case is currently on trial by the Taiwan High Court. Based on historical experience and legal expert opinion, the Group assessed that the case will not have material impact on the Group's operation and finance.
- c. Refer to Table 2 of Note 39 for endorsements/guarantees provided.

37. OTHERS

Significant Contracts

<u>Contractor</u>	<u>Item</u>	<u>Contract Period</u>	<u>Description</u>	<u>Restrictions</u>
Intel	Patent agreement	From April 8, 2003, remains in effect	a. CPU and chipsets patent agreement. b. The Company shall pay the fees according to the agreement signed between the two parties.	None

COVID-19

Due to the impact of the COVID-19 pandemic, some of the Group's clients have implemented quarantine and travel restrictions. The Group is continuously assessing the impact of the epidemic and will adjust its operating strategies accordingly. Except for the above, the epidemic did not have any material impact on the Group's financial position and financial performance as of the date the consolidated financial statements were authorized for issue.

38. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies of the entities in the Group and the related exchange rates between foreign currencies and respective functional currencies were as follows:

December 31, 2022

	Foreign Currency	Exchange Rate
<u>Financial assets</u>		
Monetary items		
USD	\$ 314,707	30.71
RMB	79,250	4.41
HKD	3,463	3.94
Non-monetary items		
USD (derivative financial instruments)	950	30.71
Investments accounted for using the equity method		
USD	2,204	30.71
RMB	755	4.41
<u>Financial liabilities</u>		
Monetary items		
USD	24,267	30.71
RMB	28,634	4.41
HKD	382	3.94
Non-monetary items		
USD (derivative financial instruments)	7,500	30.71

December 31, 2021

	Foreign Currency	Exchange Rate
<u>Financial assets</u>		
Monetary items		
USD	\$ 316,773	27.68
RMB	41,608	4.34
HKD	3,364	3.55
Investments accounted for using the equity method		
USD	3,833	27.68
RMB	1,124	4.34
<u>Financial liabilities</u>		
Monetary items		
USD	26,235	27.68
RMB	25,855	4.34
HKD	297	3.55

The foreign currency exchange gains (losses) (including realized and unrealized) of the Group for the years ended December 31, 2022 and 2021 were \$162,849 thousand and \$(37,925) thousand, respectively. Due to the wide variety of foreign currency transactions and the functional currencies of the entities in the Group, it is impossible to disclose all the significant net foreign exchange gain (loss).

39. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions:

- 1) Financing provided to others (Table 1)
- 2) Endorsements/guarantees provided (Table 2)
- 3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (Table 3)
- 4) Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital (Table 4)
- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital (None)
- 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital (None)
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 5)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 6)
- 9) Trading in derivative instruments (Note 7)
- 10) Intercompany relationships and significant intercompany transactions (Table 8)

b. Information on investees (Table 9)

c. Information on investments in mainland China

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the year, repatriations of investment income, and limit on the amount of investment in the mainland China area (Table 9)
- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses (Table 9):
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the year.
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year.

- c) The amount of property transactions and the amount of the resultant gains or losses.
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes.
 - e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds.
 - f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services.
- d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 10)

40. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. Under IFRS 8 “Operating Segments”, the Group is organized and managed as a single reportable business segment. The Group’s operations are mainly in the research, design, manufacture and sales of chipsets and R&D service revenue accounts for more than 90 percent of the total revenue.

Geographical Information

The Group’s revenue from continuing operations from external customers by location of operations are detailed below:

	For the Year Ended December 31	
	2022	2021
Hong Kong and China	\$ 3,568,946	\$ 3,783,390
Taiwan	3,547,889	2,093,263
America	571,534	423,347
Europe	697,156	195,845
Japan	901,700	499,585
Others	<u>9,407</u>	<u>5,705</u>
	<u>\$ 9,296,632</u>	<u>\$ 7,001,135</u>

Information on Major Customers

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

	For the Year Ended December 31			
	2022		2021	
	Amount	% of Account Total	Amount	% of Account Total
Customer A	\$ 2,467,343	27	\$ 2,134,253	30
Customer B	<u>1,090,230</u>	<u>12</u>	<u>1,041,740</u>	<u>15</u>
	<u>\$ 3,557,573</u>	<u>39</u>	<u>\$ 3,175,993</u>	<u>45</u>

VIA TECHNOLOGIES, INC. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS

FOR THE YEAR ENDED DECEMBER 31, 2022

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period (Note 1)	Ending Balance (Note 1)	Actual Amount Borrowed (Note 1)	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 2)	Aggregate Financing Limit (Note 2)	Note
													Item	Value			
1	VIA Technologies, Inc. (USA)	VIATECH CO., LTD.	Other receivables	Yes	\$ 243,313 (US\$ 8,500)	\$ - (US\$ -)	\$ - (US\$ -)	-	Short-term financing	\$ -	Operating capital	\$ -	None	None	\$ 370,227	\$ 740,453	

Note 1: The ending balance was based on the exchange rate of the closing price at the end of the period (December 31, 2022).

Note 2: The Company indirectly held 100% of the voting shares of VIA Technologies, Inc., which is a foreign company. The financing limit of financing provided by VIA Technologies, Inc. for each borrower is 50% of the lender's net asset value on its current financial statements. The aggregate financing limit is 100% of the lender's net asset value on its current financial statements.

VIA TECHNOLOGIES, INC. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Endorser/Guarantor	Endorsee/Guaranteee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Note 3)	Maximum Amount Endorsed/ Guaranteed During the Period (Note 4)	Outstanding Endorsement/ Guarantee at the End of the Period (Note 5)	Actual Amount Borrowed (Note 6)	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 3)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries (Note 7)	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent (Note 7)	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China (Note 7)	Note
		Name	Relationship (Note 2)											
0	VIA Technologies, Inc.	VIA Next Technologies, Inc.	b	\$ 2,599,983	\$ 120,000	\$ 120,000	\$ 56,330	\$ -	0.92	\$ 6,499,959	Y	N	N	Note 8

Note 1: The description of the code column is as follows:

- The Company is coded "0".
- The investees are coded sequentially beginning from "1" by each individual company.

Note 2: There are 7 types of relationships between the endorser/guarantor and the endorsed/guaranteed party as follows, just indicate the type:

- Companies with business dealings.
- A company in which the Company directly or indirectly holds more than 50% of the voting shares.
- A company directly or indirectly holds more than 50% of the voting shares of the Company.
- A company in which the Company directly or indirectly holds more than 50% of the voting shares.
- Companies that provide mutual insurance for those of the same industry or as co-builders in accordance with contractual provisions based on the needs for construction project contracts.
- A company that is endorsed and guaranteed by all shareholders of the Company based on their ownership percentage due to a joint investment relationship.
- The companies that are engaged in joint and several guarantees for the performance of a pre-sale property contract in accordance with the Consumer Protection Act.

Note 3: Fill in limit on endorsements/guarantees provided for a single party and ceiling on total amount of endorsements/guarantees provided as prescribed in the endorser/guarantor company's "Procedures for Provision of Endorsements and Guarantees", and state each individual party to which the endorsements/guarantees have been provided and the calculation of the ceiling on total amount of endorsements/guarantees provided in the footnote.

Note 4: The maximum balance of the endorsement/guarantee provided to others in the current year.

Note 5: The amount approved by the board of directors shall be entered. However, it refers to the amount approved by the chairman if the board of directors authorizes the chairman to make a decision in accordance with Subparagraph 8, Article 12 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies.

Note 6: The actual drawdown amount by the endorsed/guaranteed company within the range of the endorsement/guarantee balance shall be entered.

Note 7: "Y" shall only be entered for those that belong to endorsement/guarantee from publicly listed parent company to subsidiary, from subsidiary to publicly listed parent company, or to entity in mainland China.

Note 8: The limit of the endorsement/guarantee for a single enterprise shall not exceed 20% of the net value of the most recent financial statements; the maximum limit of the endorsement/guarantee shall not exceed 50% of the net value of the most recent financial statements.

TABLE 3

VIA TECHNOLOGIES, INC. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	Balance as of December 31, 2022			Note
				Number of Shares (In Thousands)	Carrying Amount	Percentage of Ownership (%)	
VIA Technologies, Inc.	Listed company HTC Corporation	The chairman of the company and the chairman of the Company are spouse	Financial assets at fair value through profit or loss - current	3,751	\$ 208,928	0.45	\$ 208,928
	Xander International Corp. First International Computer, Inc.	Same board chairman The chairman of the company and the chairman of the Company are second-degree relatives	" "	4,559 8	167,766 312	5.02 -	167,766 312
	Star Comgistic Capital Co., Ltd. IQE PLC	None "	" "	86 6	2,322 112	0.11 -	2,322 112
	Unlisted company Openfind Information Technology Inc.	None	Financial assets at fair value through profit or loss - non-current	863	31,281	6.72	31,281
	Strawberry Software Inc. Digitimes Inc.	" "	" "	40 158	87 2,647	3.97 0.80	87 2,647
	Techgains Pan Pacific Corp. United Communication (Holdings) Corporation	" "	" "	500 4	2,345 -	1.47 8.00	2,345 -
	Convertible bonds Ennocom Corporation	None	Financial assets at fair value through profit or loss - non-current	2	210,585	-	210,585
VIA Labs, Inc.	Unlisted company KikaGo Limited	None	Financial assets at fair value through other comprehensive income - non-current	2	-	19.05	-
	EverPro Technologies Co., Ltd.	"	Financial assets at fair value through profit or loss - non-current	4,528	57,153	2.28	57,153

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	Balance as of December 31, 2022			Note
				Number of Shares (In Thousands)	Carrying Amount	Percentage of Ownership (%)	
	Beneficiary certificates Ally Bridge Group-WTT Global Life Science Capital Partners, L. P.	None	Financial assets at fair value through other comprehensive income - non-current	-	\$ 271,878	1.27	\$ 271,878
	Ally Bridge Group-CMRCO, L.P.	"	"	-	116,381	11.39	116,381
	SMART Growth Fund, L.P.	"	"	-	208,879	1.73	208,879
	10D Fund II L.P.	"	"	-	5,420	1.09	5,420
	10D Opportunity Fund I L.P.	"	"	-	5,404	6.52	5,404
	ACHI Capital Partners Fund L.P.	"	"	-	30,832	5.33	30,832
	Convertible bonds Emnocom Corporation	None	Financial assets at fair value through profit or loss - non-current	1	105,293	-	105,293
VIABASE CO., LTD.	Unlisted company 3 CEMS Corp.	The chairman of the company and the chairman of the Company are second-degree relatives	Financial assets at fair value through other comprehensive income - non-current	9,585	43,512	1.00	43,512
	MEDIS MEDIA PTY LTD.	The chairman of the company and the chairman of the Company are third-degree relatives	"	2	10,484	14.29	10,484
	Beneficiary certificates ACHI Capital Partners Fund L.P.	None	Financial assets at fair value through other comprehensive income - non-current	-	72,059	8.95	72,059
TUNGBASE TECHNOLOGIES LTD.	Unlisted company IPILOT INCORPORATED	None	Financial assets at fair value through profit or loss - non-current	750	-	8.95	-
VIATECH CO., LTD.	Listed company Ezconn Corporation	None	Financial assets at fair value through profit or loss - current	60	2,767	0.09	2,767
	Unlisted company EGTRAN	None	Financial assets at fair value through profit or loss - non-current	97	-	0.12	-
	WEVR, Inc.	"	Financial assets at fair value through other comprehensive income - non-current	2,901	121,594	9.01	121,594

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	Balance as of December 31, 2022			Note
				Number of Shares (In Thousands)	Carrying Amount	Percentage of Ownership (%)	
	Beneficiary certificates Ally Bridge Group-CMIRCO, L.P.	None	Financial assets at fair value through other comprehensive income - non-current	-	\$ 129,358	12.66	\$ 129,358
	10D Fund II L.P.	"	"	-	11,056	1.63	11,056
	10D Opportunity Fund I L.P.	"	"	-	9,213	9.94	9,213
	Section 32 Fund 5 L.P.	"	"	-	5,297	3.50	5,297
Vate Technology Co., Ltd.	Unlisted company SITEC SEMICONDUCTOR LIMITED	None	Financial assets at fair value through other comprehensive income - non-current	130,341	31,200	7.75	31,200
(VIA Technologies (HK) Inc. Ltd.	Unlisted company EverPro Technologies Co., Ltd.	None	Financial assets at fair value through profit or loss - non-current	8,164	103,060	4.11	103,060
	Shanghai Zhaoxin Semiconductor Co., Ltd.	The Company is a director of the company	"	-	686,151	4.04	686,151
VIA Technologies (Shanghai) Co., Ltd.	Unlisted company EverPro Technologies Co., Ltd.	None	Financial assets at fair value through profit or loss - non-current	1,240	15,648	0.62	15,648
	Shanghai Zhaoxin Semiconductor Co., Ltd.	The Company is a director of the company	"	-	365,999	2.24	365,999
VIA Technologies (China) Co., Ltd.	Unlisted company Shanghai Zhaoxin Semiconductor Co., Ltd.	The Company is a director of the company	Financial assets at fair value through profit or loss - non-current	-	171,888	1.05	171,888
	Shanghai Zhixin (Xiamen) Intelligent Technology Co., Ltd.	"	"	-	306	10.00	306
VIA Technologies (Shenzhen) Co., Ltd.	Unlisted company Shanghai Zhaoxin Semiconductor Co., Ltd.	The Company is a director of the company	Financial assets at fair value through profit or loss - non-current	-	17,433	0.11	17,433

Note: Shanghai Zhaoxin Semiconductor Co., Ltd. raised additional capital and reelected directors and supervisors in the first quarter of 2021; hence, the Group ceased to have significant influence over it and the remaining interest was accounted for as financial assets at FVTPL instead of using the equity method for the company, refer to Note 13.

(Concluded)

TABLE 4

VIA TECHNOLOGIES, INC. AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal		Ending Balance	
					Number of Shares	Amount	Number of Shares (In Thousands)	Amount	Number of Shares (In Thousands)	Amount	Number of Shares (In Thousands)	Amount
VIABASE CO., LTD.	VIA CPU Platform Co., Ltd.	Investments accounted for using the equity method	VIA CPU Platform Co., Ltd.	Subsidiary	47,993	\$ 3,235,161	14,110	\$ 433,318	-	\$ -	62,103	\$ 3,474,061
VIA CPU Platform Co., Ltd.	VIA CPU Platform (HK) Limited	"	VIA CPU Platform (HK) Limited	Subsidiary	166,194	18,234	110,397	423,163	-	-	276,591	(143,245)

VIA TECHNOLOGIES, INC. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Related Party	Relationship	Transaction Details		Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	
VIA Technologies, Inc.	Shanghai Zhaoxin Semiconductor Co., Ltd. Shanghai Zhaoxin Semiconductor Co., Ltd.	Substantive related party Substantive related party	Sales Service revenue	\$ (1,713,696) (175,796)	(48) (59)	2-3 months 2-3 months	Similar to non-related party transaction. "	\$ - -	- -
VIA Next Technologies, Inc.	Shanghai Zhaoxin Semiconductor Co., Ltd.	Substantive related party	Service revenue	(577,851)	(31)	2-3 months	"	-	-
VIA Technologies, Inc.	VIA Technologies, Inc. (USA)	Subsidiary	Sales	(430,716)	(12)	2-3 months	The sales volume is large, and its price is lower than usual	101,243	65
VIA Technologies, Inc. (USA)	VIA Technologies, Inc.	Parent	Purchase	430,716	100	2-3 months	The purchase volume is large, and the price is lower than the general	(101,243)	(99)
VIA Technologies (Shenzhen) Co, Ltd.	VIA CPU PLATFORM (HK) LIMITED	Sister	Service revenue	(190,931)	(97)	2-3 months	Similar to non-related party transaction.	68,224	56
VIA CPU PLATFORM (HK) LIMITED	VIA Technologies (Shenzhen) Co, Ltd.	Sister	Research expense	190,931	33	2-3 months	"	(68,224)	(47)
VIA Technologies (Shanghai) Co, Ltd.	VIA CPU PLATFORM (HK) LIMITED	Sister	Service revenue	(172,356)	(100)	2-3 months	"	-	-
VIA CPU PLATFORM (HK) LIMITED	VIA Technologies (Shanghai) Co, Ltd.	Sister	Research expense	172,356	30	2-3 months	"	-	-
VIA Technologies (China) Co, Ltd.	VIA CPU PLATFORM (HK) LIMITED	Sister	Service revenue	(146,687)	(88)	2-3 months	"	55,892	72
VIA CPU PLATFORM (HK) LIMITED	VIA Technologies (China) Co, Ltd.	Sister	Research expense	146,687	25	2-3 months	"	(55,892)	(38)

TABLE 6

VIA TECHNOLOGIES, INC. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
VIA Technologies, Inc.	VIA Technologies, Inc.	Subsidiary	\$ 101,243	5.83	\$ -	Strengthen collection	\$ 101,243	\$ -

TABLE 7

VIA TECHNOLOGIES, INC. AND SUBSIDIARIES
INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Company Name (Note 1)	Counterparty	Flow of Transactions (Note 2)	Transaction Details			Percentage to Consolidated Total Assets/Revenue (%) (Note 3)
				Financial Statement Account	Amount	Payment Terms	
0	2022 VIA Technologies, Inc.	VIA Technologies, Inc. (USA) VIA Technologies, Inc. (USA) VIA Technologies, Inc. (USA) VIA Technologies (Shenzhen) Co, Ltd. VIA Technologies (Shenzhen) Co, Ltd. VIA Technologies (Shenzhen) Co, Ltd. Vate Technology Co., Ltd. Vate Technology Co., Ltd. VIA Next Technologies, Inc. VIA Next Technologies, Inc. VIA Labs, Inc. VIA Labs, Inc.	a a a a a a a a a a a a	Sales Accounts receivable Service revenue Purchases Accounts payable Sales Accounts payable Test expense Service revenue Rental income Service revenue Rental income	\$ 430,716 101,243 44,312 73,200 10,836 34,969 22,153 60,226 59,424 27,643 19,304 14,715	The sales volume is large, and its price is lower than usual Similar to non-related party transaction " " " " " " " " " " "	5 - - 1 - - - - 1 1 1 - -
1	TECHBASE CO., LTD.	S3 GRAPHICS, INC.	c	Other payables	171,647	Longer than general vendors	1
2	VIABASE CO., LTD.	Centaur Technology, Inc.	c	Other payables	10,629	Longer than general vendors	-
3	VIA Labs, Inc.	Vate Technology Co., Ltd. VIA LABS USA, INC. VIA Labs (Shenzhen) Co., Ltd.	c c c	Test expense Research expense Research expense	48,392 24,328 25,189	Similar to non-related party transaction " "	1 - -
4	VIA Technologies (China) Co., Ltd.	VIA Technologies (Shenzhen) Co, Ltd. VIA Technologies (Shenzhen) Co, Ltd. VIA CPU PLATFORM (HK) LIMITED VIA CPU PLATFORM (HK) LIMITED	c c c c	Service revenue Accounts receivable Service revenue Other receivable	20,920 20,787 146,687 55,892	Similar to non-related party transaction " " "	- - 2 -
5	VIA Technologies (Shenzhen) Co, Ltd.	VIA CPU PLATFORM (HK) LIMITED VIA CPU PLATFORM (HK) LIMITED	c c	Service revenue Accounts receivable	190,931 68,224	" "	2 -
6	VIA CPU PLATFORM (HK) LIMITED	VIA Technologies (Shanghai) Co., Ltd. VIA TECHNOLOGIES JAPAN K.K.	c c	Research expense Research expense	172,356 29,943	" "	2 -

(Continued)

No.	Company Name (Note 1)	Counterparty	Flow of Transactions (Note 2)	Transaction Details			Percentage to Consolidated Total Assets/Revenue (%) (Note 3)
				Financial Statement Account	Amount	Payment Terms	
7	VIA Technologies, Inc.	VIA CPU PLATFORM (HK) LIMITED VIA CPU PLATFORM (HK) LIMITED	c c	Accounts receivable Service revenue	\$ 16,407 57,353	Similar to non-related party transaction #	- 1
8	VIA CPU PLATFORM INC.	VIA Technologies, Inc. (USA)	c	Service revenue	18,502	#	-

Note 1: Business relationships between parent company and subsidiaries are identified and numbered (in the first column) as follows:

- a. "0" for parent company.
- b. Subsidiaries are numbered from "1".

Note 2: Flows of transactions are categorized as follows:

- a. From a parent company to its subsidiary.
- b. From a subsidiary to its parent company.
- c. Between subsidiaries.

Note 3: The percentage to consolidated total assets is calculated by dividing the amount of a particular asset or liability account by the consolidated total of assets as of December 31, 2022. The percentage to consolidated total revenue is calculated by dividing the amount of a particular revenue or cost or expense account by the consolidated total operating revenue for the year ended December 31, 2022.

Note 4: Information on significant transactions in the table is disclosed by the Company based on the principle of materiality.

(Concluded)

TABLE 8

VIA TECHNOLOGIES, INC. AND SUBSIDIARIES

INFORMATION ON INVESTEEES

FOR THE YEAR ENDED DECEMBER 31, 2022

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2022			Net Loss of the Investee	Investment Loss Recognized	Share of Profit (Loss)		Note
				Ending Balance	Beginning Balance	Shares (In Thousands)	Percentage of Ownership (%)	Carrying Value			Cash Dividend	Share Dividend	
VIA Technologies, Inc.	VIA TECH CO., LTD.	3rd Floor, J & C Building, P.O. Box 562, Road Town, Tortola, British Virgin Islands	International Investment	\$ 2,166,502	\$ 2,166,502	70,202	100.00	\$ 4,506,884	\$ 159,810	\$	\$ 854,400	-	Note 1
	VIABASE CO., LTD.	3rd Floor, J & C Building, P.O. Box 562, Road Town, Tortola, British Virgin Islands	International Investment	3,632,284	3,632,284	115,383	100.00	7,170,800	(317,685)	-	-	-	Note 2
	TUNGBASE TECHNOLOGIES LTD.	3rd Floor, J & C Building, P.O. Box 562, Road Town, Tortola, British Virgin Islands	International Investment	41,570	41,570	1,080	100.00	-	-	-	-	-	-
	Wei-Hon Co. Ltd.	8th Floor, No. 533, Zhongzheng Road, Xindian District, New Taipei City	Manufacturing and selling of electronic parts and information software	10,000	10,000	1,000	100.00	10,856	48	-	-	-	-
	VIA Next Technologies, Inc.	10th Floor, No. 533, Zhongzheng Road, Xindian District, New Taipei City	Manufacturing and selling of electronic parts and information software	134,560	134,560	500	100.00	23,502 (Note 4)	193,212	-	-	-	Note 4
	Vate Technology Co., Ltd.	No. 9, Lixing 5th Road, Science Industrial Park, Hsinshu City	Integrated circuits chip testing and packaging services	493,031	493,031	52,656	66.28	339,708	(18,124)	-	-	-	Note 5
	VIA Labs, Inc.	7th Floor, No. 529, Zhongzheng Road, Xindian District, New Taipei City	Manufacturing and selling of electronic parts and information software	136,084	136,084	38,843	56.49	1,686,821	723,535	413,836	426,743	-	Note 3
	VIA Intelligent Automotive, Inc.	8th Floor, No. 525, Zhongzheng Road, Xindian District, New Taipei City	Manufacturing and selling of electronic parts	2,600	2,600	260	100.00	2,462	(3)	-	-	-	-
	iDOT Computers, Inc.	7th Floor, No. 493, Zhongzheng Road, Xindian District, New Taipei City	Manufacturing electronic parts	55,000	55,000	5,500	22.82	- (Note 6)	-	-	-	-	-
	Intumit Inc.	4th Floor 3, No. 293, Section 1, Beixin Road, Xindian District, New Taipei City	Manufacturing electronic parts and information software processing services	24,000	24,000	1,200	4.69	20,954	18,197	844	720	-	-
	HLL technology Co., Ltd.	No. 2, Guangfu South Road, Hukou Township, Hsinchu County	Manufacturing and selling of electronic parts and information software processing services	165,760	-	11,200	12.08	152,513	(249,960)	(12,765)	-	-	-
VIABASE CO., LTD.	IP-FIRST LLC.	15 East North Street, Dover, Kent County, Delaware 19901, USA	Designing and manufacturing of CPU and licensing of microprocessor-related intellectual property	391,271	391,271	-	100.00	-	-	-	-	-	-
	VIA TELECOM CO., LTD.	P.O. Box 709 George Town Grand Cayman	1. Wireless communications	7,496	7,496	1	48.94	67,688	1,468	719	40,787	-	-
	Catchplay Media Holdings Ltd.	P.O. Box 897 George Town Grand Cayman	2. International investment	39,720	39,720	2,000	3.40	(Note 6)	-	-	-	-	-
	VIA USA, INC.	C/O pachulski, stang Ziehl Young & Jones P.C. 10100 Santa Monica boulevard, Suite 1100, Los Angeles CA 90067	International Investment	4,311,593	4,311,593	-	100.00	757,847	71,236	71,236	-	-	-
	VIA TECHNOLOGIES JAPAN K.K.	15-7, Higashi 3-chome, Shibuya-ku, Tokyo	International Investment	6,386	6,386	1	100.00	12,730	91	91	-	-	-
	SURE VICTORY INVESTMENT LTD.	3rd Floor, J & C Building, P.O. Box 562, Road Town, Tortola, British Virgin Islands	Manufacturing, researching, developing and selling of integrated circuits and other semiconductor devices.	13	13	-	41.00	-	85	35	-	-	-
	T. C. Connection Corporation	3rd Floor, J & C Building, P.O. Box 562, Road Town, Tortola, British Virgin Islands	International Investment	2,370	2,370	5,000	100.00	-	-	-	-	-	-
	TECHBASE CO., LTD.	Windward I, Regatta Office Park, PO Box 897, Grand Cayman KY1-1103, Cayman Islands	International Investment	328,011	324,210	11,520	100.00	486,020	64,863	64,863	-	-	-
	VIA CPU PLATFORM CO., LTD.	3rd Floor, J & C Building, P.O. Box 562, Road Town, Tortola, British Virgin Islands	1. International investment 2. Selling of PC chipset	1,891,075	1,457,757	62,103	100.00	3,474,061	(532,391)	(532,391)	-	-	-

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2022		Net Loss of the Investee	Investment Loss Recognized	Share of Profit (Loss)		Note
				Ending Balance	Beginning Balance	Shares (In Thousands)	Percentage of Ownership (%)			Carrying Value	Cash Dividend	
VIA CPU PLATFORM CO., LTD.	CENTAUR TECHNOLOGY, INC. VIA CPU PLATFORM (HK) LIMITED	7600M, Capital of TX Hwy., Bldg C, Suite 300, Austin, TX 78731	Designing, manufacturing and selling of CPU	\$ 1,026,428	\$ 1,026,428	-	100.00	\$ 47,051	\$ 47,051	\$ -	\$ -	
		Room 3602, Level 36, Tower 1, Enterprise Square Five, 38 Wang Chiu Road, Kowloon Bay, Kowloon, Hong Kong	Contract technical service support of CPU	1,019,401	596,238	276,591	100.00	(579,207)	(579,207)	-	-	
	VIA CPU PLATFORM TRADING (HK) LIMITED	Room 3602, Level 36, Tower 1, Enterprise Square Five, 38 Wang Chiu Road, Kowloon Bay, Kowloon, Hong Kong	Selling and manufacturing of CPU	37	37	10	100.00	(104)	(104)	-	-	
VIA USA, INC.	VIA Technologies, Inc. (USA) VIA-CYRIX, INC.	940 Mission Court Fremont, CA 94539 2552 Summit Avenue, Suite 406, Plano, TX 75074	Selling and designing of PC chipset	134,145	134,145	130	100.00	70,963	70,963	-	-	
	VIA CPU PLATFORM, INC.	940 Mission Court Fremont, CA 94539	Designing, manufacturing and selling of CPU	1,351,734	1,351,734	-	100.00	(97)	(97)	-	-	
	VIA TECHNOLOGIES (HK) INC. LTD.	Unit B 16/F., Y Ga Building, 532 Casile Peak Road KLN HK.	Selling and designing of PC chipset	152	152	5	100.00	496	496	-	-	
			International Investment	2,609,434	2,609,434	649,325	100.00	146,791	146,791	-	-	
TECHBASE CO., LTD.	S3 Graphics (HK) Limited	Unit B, 16th Floor, Y Ga Building, 532 Casile Peak Road, Kowloon	International Investment	100,631	100,631	10	100.00	65,526	65,526	-	-	
	S3 Graphics Inc.	940 Mission Court, Fremont, CA 94539	Selling and designing of PC chipset	94,296	94,296	-	100.00	(192)	(192)	-	-	
VIA Labs, Inc.	VIA LABS USA, INC.	940 Mission Court, Fremont, CA 94539	Contract testing and sales marketing support	8,823	8,823	300	100.00	746	746	-	-	

Note 1: The net equity value of VIATECH CO., LTD. at the end of the period was \$4,509,415 thousand, and the difference between the net equity value and the carrying value of the investment was due to downstream transactions.

Note 2: The net equity value of VIABASE CO., LTD. at the end of the period was \$7,190,561 thousand, and the difference between the net equity value and the carrying value of the investment was due to downstream transactions.

Note 3: The net equity value of VLI at the end of the period was \$1,796,903 thousand, and the difference between the net equity value and the carrying value of the investment was due to the adjustment of the fair value of the investment properties and IFRS 16.

Note 4: The net equity value of VIA Next Technologies, Inc. at the end of the period was \$341,327 thousand, and the difference between the net equity value and the carrying value of the investment was due to the adjustment of the fair value of the investment properties and IFRS 16.

Note 5: The net equity value of Vate Technology Co., Ltd. at the end of the period was \$339,561 thousand, and the difference between the net equity value and the carrying value of the investment was due to the adjustment of IFRS 16.

Note 6: The net equity value has been negative, but the parent company has no intention to continue to support the company; therefore, the recognition of investment loss is limited to the capital contribution.

Note 7: The net equity value has been negative, the parent company will continue to support the company and still recognizes investment loss according to the shareholding ratio, resulting in a credit balance of the carrying amount, which is accounted for under other liabilities.

Note 8: Information on the investment in mainland China is disclosed on Table 9.

(Concluded)

TABLE 9

VIA TECHNOLOGIES, INC. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2022	Remittance of Funds		Accumulated Outward Remittance from Investment from Taiwan as of December 31, 2022	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of December 31, 2022	Accumulated Repatriation of Investment Income as of December 31, 2022	Note
					Outward	Inward							
VIA Technologies (Shenzhen) Co., Ltd	Selling of CPU and PC chipset	\$ 96,675	Through investing in an existing company in the third area, which then invested in the investee in Mainland China	\$ -	\$ -	\$ 96,675	\$ 31,189	100.00	\$ 31,189	\$ 263,318	\$ -	VIA Technologies, Inc. as the investor	
VIA Technologies (China) Co., Ltd.	Selling of CPU and PC chipset	602,374	"	-	-	602,374	110,401	100.00	110,401	2,176,805	-	VIA Technologies, Inc. as the investor	
VIA Technologies (Shanghai) Co., Ltd.	Selling of graphics chipset	77,340	"	76,876	-	76,876	22,723	100.00	22,723	405,014	-	VIA Technologies, Inc. as the investor	
VIA Telecom (Hangzhou) Co., Ltd.	Selling of PC chipset	240,000	"	118,800	-	118,800	(79)	48.94	(59)	(413)	-	VIA Technologies, Inc. as the investor	
Jingmi Science and Technology (Beijing) Limited Company	Selling of PC chipset	90,000	"	44,100	-	44,100	7,453	48.94	3,647	51,720	-	VIA Technologies, Inc. as the investor	
VIA CPU Platform (Shanghai) Co., Ltd.	Manufacturing, researching, developing and selling of integrated circuits chip	488	Direct investment in company located in mainland China through VIA Technologies (Shanghai) Co., Ltd.	-	-	-	(14)	100.00	(14)	435	-	VIA Technologies, Inc. as the investor	
VIA Technologies (Shenzhen) Co., Ltd.	Integrated circuits chip testing and technical support	4,657	Direct investment in company located in mainland China through VIA Labs, Inc.	4,657	-	4,657	1,641	100.00	1,641	9,336	-	VIA Labs, Inc. as the investor	
VIA Labs (Beijing), Inc.	Integrated circuits chip testing and technical support	4,342	Direct investment in company located in mainland China through VIA Labs, Inc. and VIA Labs (Shenzhen) Co., Ltd.	4,237	-	4,237	(2)	100.00	(2)	4,407	-	VIA Labs, Inc. as the investor	
Shengchuang Smart Education Technology (Shandong) Co., Ltd.	R&D and sales of artificial intelligence products, teaching equipment and teaching software	13,168	Direct investment in company located in mainland China through VIA Technologies (China) Co., Ltd.	-	-	-	(4,088)	40.00	(1,635)	3,327	-	VIA Technologies, Inc. as the investor	
VIA Next Technologies (Shanghai) Co., Ltd.	Electronic components manufacturing and information software processing services	4,395	Direct investment in company located in mainland China through VIA Next Technologies, Inc.	-	-	-	(1,577)	100.00	(1,577)	2,841	-	VIA Technologies, Inc. as the investor	
VIA Software (Hangzhou) Co., Ltd.	Selling of chipsets and computer software	11,601	Through investing in an existing company in the third area, which then invested in the investee in Mainland China	11,601	-	11,601	-	-	-	-	-	(Note)	

Note 1: The paid-in capital of VIA Software (Hangzhou) Co., Ltd. and the accumulated investment amount remitted from Taiwan were \$11,601 thousand, and the liquidation was completed at the end of 2009.

Note 2: The net equity value is negative, the parent company will continue to support the company and still recognizes investment loss according to the shareholding ratio, resulting in a credit balance of the carrying amount, which is accounted for under other liabilities.

(Continued)

2.

Company	Accumulated Outflow for Investment in Mainland China as of December 31, 2022	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on Investment
VIA Technologies, Inc	\$ 2,676,648 (US\$ 52,693) (HK\$ 203,653) (CNY 61,215)	\$ 2,827,156 (US\$ 79,073) (HK\$ 25,000) (CNY 70,965)	(Note 1)
VIA Labs, Inc.	196,729 (CNY 40,116)	218,069 (CNY 45,100)	\$ 1,908,554

Note 1: Since the Company obtained the certificate of qualification for operating its headquarter in July 2022, which was issued by the Industrial Development Bureau, MOEA, the limit on investment in mainland China pursuant to "Principle of investment or Technical Cooperation in Mainland China" is not applicable.

Note 2: As of December 31, 2022, the amount of \$1,423,663 thousand of accumulated outflow for investment in mainland China and the investment amount authorized by the Investment Commission, MOEA were invested in Shanghai Zhaoxin Semiconductor Co., Ltd., which is accounted for under financial assets at fair value through profit or loss - non-current.

Note 3: As of December 31, 2022, the amount of \$485,537 thousand of accumulated outflow for investment in mainland China and the investment amount authorized by the Investment Commission, MOEA were invested in EverPro (Wuhan) Technologies Limited (renamed as EverPro (Wuhan) Technologies Joint Stock Limited Company), which is accounted for under financial assets at fair value through profit or loss - non-current.

Note 4: As of December 31, 2022, the amount of \$462 thousand of accumulated outflow for investment in mainland China and the investment amount authorized by the Investment Commission, MOEA were invested in Shenzhen KikaGO Limited through investment in KikaGO Limited in the third area, which is accounted for under financial assets at fair value through other comprehensive income - non-current.

3. Significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment term, and unrealized gains or losses:

Investee Company	Relationship	Transaction Type	Price	Transaction Details		Notes/Accounts Receivable (Payable)	
				Payment	Comparison with Normal Transactions	Ending Balance	Unrealized (Gain) Loss
Shanghai Zhaoxin Semiconductor Co., Ltd.	The Company is a director of the company	Other operating revenues and sales revenues	\$ 2,467,343	Similar to non-related party transaction	Similar to non-related party transaction	\$ -	\$ -

4. The direct and indirect endorsement, guarantee or collateral were provided by investment companies in mainland China through a third region. (None)

5. The direct and indirect capital financing were provided with investment companies in mainland China through a third region. (None)

6. Other transactions that have a significant effect on the current period's profit or loss or financial position. (None)

(Concluded)

VIA TECHNOLOGIES, INC.

INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2022

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Shin Ton Investment Co., Ltd.	48,548,127	9.75
CW & ET Link Inc.	48,114,333	9.67
Hung Mao Investment Co., Ltd.	45,281,073	9.10
Way Chih Investment Co., Ltd.	42,290,638	8.50
Kun Chang Investment Co., Ltd.	41,141,508	8.26
Cher Wang	34,629,196	6.96

Note: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preference shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

Attachment 2: Individual Financial Report and Accountant's Audit Report for 2022

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
VIA Technologies, Inc.

Opinion

We have audited the accompanying parent company only financial statements of VIA Technologies, Inc. (the "Company"), which comprise the parent company only balance sheets as of December 31, 2022 and 2021, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the parent company only financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the accompanying parent company only financial position of the Company as of December 31, 2022 and 2021, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the parent company only Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters of the parent company only financial statements for the year ended December 31, 2022 are as follows:

Revenue Recognition

Revenue from the sale of goods is recognized when significant risks and control are transferred to the customers. Technical service revenue is recognized when the performance obligation of services is fulfilled and the amount of revenue can be reasonably measured. Since the revenue from specific customers is material to the parent company only financial statements, we considered the relevant recognition of revenue a key audit matter.

For the accounting policy of revenue recognition, refer to Note 4.

We obtained an understanding and tested the effectiveness of the design and the implementation of internal controls with respect to the revenue recognition of specific customers. We selected samples of revenue from the aforementioned customers and confirmed that revenue transactions have indeed occurred.

Evaluation of Investments Accounted for Using the Equity Method

As stated in Note 10 to the parent company only financial statements, as of December 31, 2022, the carrying amount of the investment in subsidiaries accounted for using the equity method was \$13,741,033 thousand, representing 71% of the Company's assets. For the year ended December 31, 2022, the amount of share of profit of subsidiaries was \$443,268 thousand, representing 2,270% of the Company's profit before income tax, which is material to the parent company only financial statements. Therefore, we considered the evaluation of investments in subsidiaries accounted for using the equity method a key audit matter.

In order to evaluate investments in subsidiaries accounted for using the equity method appropriately, we performed the audit procedures as follows:

1. We conducted our audits of the financial statements of subsidiaries in accordance with the Standards on Auditing of the Republic of China. The subsidiaries' financial statements have been prepared in accordance with the same accounting principles as the Company.
2. We obtained the investments in subsidiaries accounted for using the equity method for the year ended December 31, 2022, reviewed the calculation by the Company and evaluated the accuracy and completeness of the recognition of investment gain or loss.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Shu-Lin Liu and Chin-Chuan Shih.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 9, 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.

VIA TECHNOLOGIES, INC.

PARENT COMPANY ONLY BALANCE SHEETS DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

ASSETS	2022		2021	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 1,008,420	5	\$ 515,524	3
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	379,440	2	536,323	3
Accounts receivable, net (Notes 4 and 8)	37,288	-	75,391	-
Accounts receivable - related parties (Notes 4, 8 and 31)	112,843	1	121,772	1
Other receivables (Notes 4, 8 and 31)	38,948	-	26,366	-
Inventories (Notes 4, 5 and 9)	1,616,780	8	1,050,522	5
Other current assets (Note 15)	105,179	1	150,719	1
Total current assets	<u>3,298,898</u>	<u>17</u>	<u>2,476,617</u>	<u>13</u>
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current (Notes 4 and 7)	246,945	1	240,417	1
Investments accounted for using the equity method (Notes 4 and 10)	13,914,500	72	13,896,670	75
Property, plant and equipment (Notes 4, 11 and 32)	772,880	4	780,406	4
Right-of-use assets (Notes 4 and 12)	18,633	-	11,169	-
Investment properties, net (Notes 4, 5, 13 and 32)	1,176,107	6	1,202,804	7
Intangible assets (Notes 4 and 14)	9,540	-	18,035	-
Refundable deposits (Note 15)	9,399	-	9,012	-
Total non-current assets	<u>16,148,004</u>	<u>83</u>	<u>16,158,513</u>	<u>87</u>
TOTAL	<u>\$ 19,446,902</u>	<u>100</u>	<u>\$ 18,635,130</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	\$ 1,861	-	\$ -	-
Notes payable (Note 17)	638	-	685	-
Accounts payable (Note 17)	719,123	4	639,375	3
Accounts payable - related parties (Notes 17 and 31)	66,523	-	79,391	-
Other payables (Notes 18 and 31)	933,171	5	934,289	5
Current tax liabilities (Notes 4 and 24)	148,319	1	119,488	1
Provisions - current (Notes 4 and 19)	282,223	1	132,783	1
Lease liabilities - current (Notes 4 and 12)	8,594	-	6,992	-
Current portion of long-term borrowings (Notes 16 and 32)	1,399,352	7	950,000	5
Other current liabilities (Note 18)	416,520	2	233,634	1
Total current liabilities	<u>3,976,324</u>	<u>20</u>	<u>3,096,637</u>	<u>16</u>
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 16 and 32)	2,010,000	10	1,165,000	6
Long-term bills payable (Notes 16 and 32)	-	-	1,101,484	6
Deferred tax liabilities (Notes 4 and 24)	136,993	1	142,230	1
Lease liabilities - non-current (Notes 4 and 12)	9,262	-	3,795	-
Net defined benefit liabilities (Notes 4 and 20)	305,817	2	350,682	2
Credit balance of investments accounted for using the equity method (Notes 10 and 18)	-	-	175,702	1
Other non-current liabilities (Notes 18 and 31)	8,589	-	8,653	-
Total non-current liabilities	<u>2,470,661</u>	<u>13</u>	<u>2,947,546</u>	<u>16</u>
Total liabilities	<u>6,446,985</u>	<u>33</u>	<u>6,044,183</u>	<u>32</u>
EQUITY (Note 21)				
Share capital	4,970,099	26	4,944,109	27
Advance receipts for share capital	12,037	-	24,881	-
Capital surplus	1,241,826	6	1,209,690	7
Retained earnings				
Legal reserve	749,725	4	354,878	2
Special reserve	910,285	5	595,929	3
Unappropriated earnings	4,908,847	25	6,150,928	33
Other equity	207,098	1	(689,468)	(4)
Total equity	<u>12,999,917</u>	<u>67</u>	<u>12,590,947</u>	<u>68</u>
TOTAL	<u>\$ 19,446,902</u>	<u>100</u>	<u>\$ 18,635,130</u>	<u>100</u>

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

VIA TECHNOLOGIES, INC.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except (Loss) Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 22 and 31)	\$ 3,898,575	100	\$ 2,579,177	100
OPERATING COSTS (Notes 9, 20, 23 and 31)	<u>3,117,484</u>	<u>80</u>	<u>2,208,773</u>	<u>86</u>
GROSS PROFIT	781,091	20	370,404	14
UNREALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES	(17,542)	-	(2,620)	-
REALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES	<u>2,620</u>	<u>-</u>	<u>2,811</u>	<u>-</u>
REALIZED GROSS PROFIT	<u>766,169</u>	<u>20</u>	<u>370,595</u>	<u>14</u>
OPERATING EXPENSES (Notes 20, 23 and 31)				
Selling and marketing expenses	125,043	3	128,852	5
General and administrative expenses	458,808	12	439,445	17
Research and development expenses	<u>511,745</u>	<u>13</u>	<u>702,365</u>	<u>27</u>
Total operating expenses	<u>1,095,596</u>	<u>28</u>	<u>1,270,662</u>	<u>49</u>
LOSS FROM OPERATIONS	<u>(329,427)</u>	<u>(8)</u>	<u>(900,067)</u>	<u>(35)</u>
NON-OPERATING INCOME AND EXPENSES (Notes 10, 13, 23 and 31)				
Interest income	9,005	-	614	-
Other income	99,596	3	319,377	13
Other gains and losses	(134,751)	(4)	511,010	20
Finance costs	(56,247)	(1)	(43,196)	(2)
Share of profit of subsidiaries and associates	<u>431,347</u>	<u>11</u>	<u>4,197,730</u>	<u>163</u>
Total non-operating income and expenses	<u>348,950</u>	<u>9</u>	<u>4,985,535</u>	<u>194</u>
PROFIT BEFORE INCOME TAX	19,523	1	4,085,468	159
INCOME TAX EXPENSE (Notes 4 and 24)	<u>(103,158)</u>	<u>(3)</u>	<u>(124,524)</u>	<u>(5)</u>
NET (LOSS) PROFIT FOR THE YEAR	<u>(83,635)</u>	<u>(2)</u>	<u>3,960,944</u>	<u>154</u>

(Continued)

VIA TECHNOLOGIES, INC.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except (Loss) Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 20 and 21)				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of defined benefit plans	\$ 45,974	1	\$ (12,501)	-
Share of remeasurement of defined benefit plans of subsidiaries	133	-	32	-
Share of the other comprehensive income of subsidiaries accounted for using the equity method	(35,947)	(1)	(12,650)	(1)
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translating foreign operations	933,524	24	\$ (306,080)	(12)
Share of the other comprehensive loss of associates accounted for using the equity method	<u>32</u>	<u>-</u>	<u>(29)</u>	<u>-</u>
Other comprehensive income (loss) for the year, net of income tax	<u>943,716</u>	<u>24</u>	<u>(331,228)</u>	<u>(13)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 860,081</u>	<u>22</u>	<u>\$ 3,629,716</u>	<u>141</u>
(LOSS) EARNINGS PER SHARE (Note 25)				
From continuing operations				
Basic	<u>\$ (0.17)</u>		<u>\$ 8.01</u>	
Diluted			<u>\$ 7.84</u>	

The accompanying notes are an integral part of the parent company only financial statements. (Concluded)

VIA TECHNOLOGIES, INC.

**PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)**

	Share Capital	Capital Collected in Advance	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Other Equity Unrealized Loss on Financial Assets at Fair Value Through Other Comprehensive Income	Exchange Differences on Translating Foreign Operations	Unearned Employee Benefits	Total Equity
BALANCE AT JANUARY 1, 2021	\$ 4,933,034	\$ 18,824	\$ 1,168,504	\$ -	\$ -	\$ 3,548,777	\$ (360,861)	\$ (9,848)	\$ -	\$ 9,298,430
Appropriation of 2020 earnings	-	-	-	-	-	(354,878)	-	-	-	-
Legal reserve	-	-	-	354,878	-	(595,929)	-	-	-	-
Special reserve	-	-	-	-	595,929	(395,517)	-	-	-	(395,517)
Cash dividends distributed by the Company	-	-	-	-	-	3,960,944	-	-	-	3,960,944
Net profit for the year ended December 31, 2021	-	-	-	-	-	(12,469)	(306,109)	(12,650)	-	(331,228)
Other comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	3,948,475	(306,109)	(12,650)	-	3,629,716
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	-	-	-	-	252
Changes in capital surplus from investments in associates	-	-	252	-	-	-	-	-	-	252
Share-based payment transaction (Note 26)	-	-	29,887	-	-	-	-	-	-	29,887
Issuance of ordinary shares under employee share options	11,075	6,057	16,502	-	-	-	-	-	-	33,634
Changes in percentage of ownership interests in the subsidiary (Note 27)	-	-	(7,284)	-	-	-	-	-	-	(7,284)
Recognition of employee share options issued by the subsidiary	-	-	1,829	-	-	-	-	-	-	1,829
BALANCE AT DECEMBER 31, 2021	4,944,109	24,881	1,209,690	354,878	595,929	6,150,928	(666,970)	(22,498)	-	12,590,947
Appropriation of 2021 earnings	-	-	-	-	-	(394,847)	-	-	-	-
Legal reserve	-	-	-	394,847	-	(314,356)	-	-	-	-
Special reserve	-	-	-	-	314,356	(495,350)	-	-	-	(495,350)
Cash dividends distributed	-	-	-	-	-	(83,635)	-	-	-	(83,635)
Net loss for the year ended December 31, 2022	-	-	-	-	-	46,107	-	(35,947)	-	943,716
Other comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	(37,528)	933,556	(35,947)	-	860,081
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	-	933,556	(35,947)	-	860,081
Changes in capital surplus from investments in associates	-	-	399	-	-	-	-	-	(1,043)	(644)
Share-based payment transaction (Note 26)	-	-	13,349	-	-	-	-	-	-	13,349
Issuance of ordinary shares under employee share options	25,990	(12,844)	31,711	-	-	-	-	-	-	44,857
Changes in percentage of ownership interests in the subsidiary (Note 27)	-	-	(14,040)	-	-	-	-	-	-	(14,040)
Recognition of employee share options issued by the subsidiary	-	-	717	-	-	-	-	-	-	717
BALANCE AT DECEMBER 31, 2022	\$ 4,970,099	\$ 12,037	\$ 1,241,826	\$ 749,725	\$ 910,285	\$ 4,908,847	\$ 266,586	\$ (58,445)	\$ (1,043)	\$ 12,999,917

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

VIA TECHNOLOGIES, INC.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 19,523	\$ 4,085,468
Adjustments for:		
Depreciation expense	35,079	34,899
Amortization expense	11,750	8,035
Finance costs	56,247	43,196
Interest income	(9,005)	(614)
Dividend income	(5,612)	(3,841)
Compensation costs of employee share options	4,241	29,887
Share of profit of subsidiaries and associates	(431,347)	(4,197,730)
Gain on disposal of property, plant and equipment	-	(256)
Gain on disposal of intangible assets	-	(128,437)
Unrealized gain on transactions with subsidiaries	17,542	2,620
Realized gain on transactions with subsidiaries	(2,620)	(2,811)
Loss (gain) on changes in fair value of investment properties	27,341	(24,672)
Gain on lease modification	(67)	(3)
Gain on bargain purchase	(327)	-
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	150,355	(567,873)
Accounts receivable	38,103	(51,291)
Accounts receivable - related parties	8,929	(43,562)
Other receivables	(12,450)	(8,791)
Inventories	(566,258)	(546,888)
Other current assets	45,514	(63,197)
Financial liabilities at fair value through profit or loss	1,861	-
Notes payable	(47)	144
Accounts payable	79,748	397,706
Accounts payable - related parties	(12,868)	51,479
Other payables	10,654	94,621
Provisions	149,440	125,794
Other current liabilities	182,886	181,311
Net defined benefit liabilities	<u>1,109</u>	<u>1,390</u>
Cash used in operations	(200,279)	(583,416)
Interest received	8,873	619
Dividend received	5,612	3,841
Interest paid	(55,943)	(42,468)
Income tax paid	<u>(79,538)</u>	<u>(86,967)</u>
Net cash used in operating activities	<u>(321,275)</u>	<u>(708,391)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of the investments accounted for using the equity method	(165,760)	(134,560)
Proceeds from disposal of investments accounted for using the equity method	-	160,126

(Continued)

VIA TECHNOLOGIES, INC.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
Payments for property, plant and equipment	\$ (23,074)	\$ (20,238)
Proceeds from disposal of property, plant and equipment	-	256
Increase in refundable deposits	(585)	(4,025)
Decrease in refundable deposits	198	20,099
Payments for intangible assets	(10,297)	(9,775)
Proceeds from disposal of intangible assets	-	870,761
Payments for investment properties	(644)	-
Decrease in other financial assets	-	112,044
Dividend received from subsidiaries	<u>1,281,863</u>	<u>175,514</u>
Net cash generated from investing activities	<u>1,081,701</u>	<u>1,170,202</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in long-term bills payable	298,000	248,000
Decrease in long-term bills payable	(692,000)	(336,000)
Proceeds from long-term borrowings	1,465,000	1,142,000
Repayments of long-term borrowings	(878,000)	(872,000)
Increase in guarantee deposits	116	719
Decrease in guarantee deposits	(180)	-
Repayment of the principal portion of lease liabilities	(9,973)	(9,436)
Dividends paid	(495,350)	(395,517)
Exercise of employee share options	<u>44,857</u>	<u>33,634</u>
Net cash used in financing activities	<u>(267,530)</u>	<u>(188,600)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	492,896	273,211
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>515,524</u>	<u>242,313</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 1,008,420</u>	<u>\$ 515,524</u>

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

(Concluded)

VIA TECHNOLOGIES, INC.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

VIA Technologies, Inc. (“VIA” or the “Company”) was incorporated in September 1992 under the Company Law of the Republic of China to engage in the programming, designing, manufacturing and selling of semiconductors and PC chipsets. In March 1999, the Company’s ordinary shares were officially listed on the Taiwan Stock Exchange.

The parent company only financial statements are presented in New Taiwan dollars, the functional currency of VIA.

2. APPROVAL OF FINANCIAL STATEMENTS

The parent company only financial statements were approved by the board of directors of VIA and authorized for issue on March 9, 2023.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

- a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed and issued into effect by the FSC did not have any material impact on the Company’s accounting policies.

- b. The IFRSs endorsed by the FSC for application starting from 2023

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023 (Note 1)
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023 (Note 2)
Amendments to IAS 12 “Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction”	January 1, 2023 (Note 3)

Note 1: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 2: The amendments will be applicable to changes in accounting estimates and changes in accounting policies that will occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 3: Except for deferred taxes that were recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments were applied prospectively to transactions that occurred on or after January 1, 2022.

Amendments to IAS 1 “Disclosure of Accounting Policies”

The amendments specify that the Company should refer to the definition of material to determine its material accounting policy information to be disclosed. Accounting policy information is material if it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments also clarify that:

- Accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed;
- The Company may consider the accounting policy information as material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial; and
- Not all accounting policy information relating to material transactions, other events or conditions is itself material.

The amendments also illustrate that accounting policy information is likely to be considered as material to the financial statements if that information relates to material transactions, other events or conditions and:

- 1) The Company changed its accounting policy during the reporting period and this change resulted in a material change to the information in the financial statements;
- 2) The Company chose the accounting policy from options permitted by the standards;
- 3) The accounting policy was developed in accordance with IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” in the absence of an IFRS that specifically applies;
- 4) The accounting policy relates to an area for which the Company is required to make significant judgements or assumptions in applying an accounting policy, and the Company discloses those judgements or assumptions; or
- 5) The accounting is complex and users of the financial statements would otherwise not understand those material transactions, other events or conditions.

Amendments to IAS 8 “Definition of Accounting Estimates”

The amendments define that accounting estimates are monetary amounts in financial statements that are subject to measurement uncertainty. In applying accounting policies, the Company may be required to measure items at monetary amounts that cannot be observed directly and must instead be estimated. In such a case, the Company adopt measurement techniques and inputs to develop accounting estimates to achieve the objective. The effects on an accounting estimate of a change in a measurement technique or a change in an input are changes in accounting estimates unless they result from the correction of prior period errors.

Except for above impact as of the date the consolidated financial statements were authorized for issue, the Company has assessed that the application of other standards and interpretations will not have a material impact on the Company’s financial position and financial performance.

- c. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture”	To be determined by IASB
Amendments to IFRS 16 “Lease Liability in a Sale and leaseback”	January 1 2024 (Note 2)
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 9 and IFRS 17 - Comparative Information”	January 1, 2023
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	January 1, 2024

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

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

As of the date the financial statements were authorized for issue, the Company is continuously assessing the possible impact of the application of other standards and interpretations on the Company’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

The parent company only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis of Preparation

The parent company only financial statements have been prepared on the historical cost basis except for financial instruments and investment properties which are measured at fair value, and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan asset.

The fair value measurements are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- a. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- b. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- c. Level 3 inputs are unobservable inputs for the asset or liability.

When preparing these parent company only financial statements, the Company used the equity method to account for its investments in subsidiaries and associates. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in the parent company only financial statements to be the same with the amounts attributable to the owners of the Company in its consolidated financial statements, adjustments arising from the differences in accounting treatments between the parent company only basis and the consolidated basis were made to investments accounted for using the equity method, the share of profit or loss of subsidiaries and associates, the share of other comprehensive income of subsidiaries, associates and the related equity items, as appropriate, in these parent company only financial statements.

Classification of Current and Non-current Assets and Liabilities

Current assets include:

- a. Assets held primarily for the purpose of trading;
- b. Assets expected to be realized within twelve months after the reporting period; and
- c. Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Current liabilities include:

- a. Liabilities held primarily for the purpose of trading;
- b. Liabilities due to be settled within twelve months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the parent company only financial statements are authorized for issue; and
- c. Liabilities for which the Company does not have an unconditional right to defer settlement for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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

Foreign Currencies

In preparing the parent company only financial statements of the Company, transactions in currencies other than the Company's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

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

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

Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

For the purposes of presenting parent company only financial statements, the assets and liabilities of the Company's foreign operations are translated into New Taiwan dollars using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising are recognized in other comprehensive income.

On the disposal of a foreign operation (i.e., a disposal of the Company's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation are reclassified to profit or loss.

In relation to a partial disposal of a subsidiary that does not result in the Company losing control over the subsidiary, the proportionate share of accumulated exchange differences is included in the calculation of equity transaction but is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Inventories

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

Investments Accounted for Using the Equity Method

a. Investments in subsidiaries

The Company uses the equity method to account for its investments in subsidiaries.

A subsidiary is an entity (including a structured entity) that is controlled by the Company.

Under the equity method, an investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the subsidiary. The Company also recognizes the changes in the Company's share of equity of subsidiaries.

Changes in the Company's ownership interest in a subsidiary that do not result in the Company losing control of the subsidiary are accounted for as equity transaction. The Company recognizes directly in equity any difference between the carrying amount of the investment and the fair value of the consideration paid or received.

When the Company's share of loss of a subsidiary exceeds its interest in that subsidiary (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Company's net investment in the subsidiary), the Company continues recognizing its share of further loss, if any.

Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets and liabilities of a subsidiary at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognized immediately in profit or loss.

The Company assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the investee's financial statements as a whole. Impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, the Company recognizes a reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization or depreciation) had no impairment loss been recognized in prior years. An impairment loss recognized on goodwill cannot be reversed in a subsequent period.

When the Company loses control of a subsidiary, it recognizes the investment retained in the former subsidiary at its fair value at the date when control is lost. The difference between the fair value of the retained investment plus any consideration received and the carrying amount of the previous investment at the date when control is lost is recognized as a gain or loss in profit or loss. Besides this, the Company accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required had the Company directly disposed of the related assets or liabilities.

Profit or loss resulting from downstream transactions is eliminated in full only in the parent company only financial statements. Profit and loss resulting from upstream transactions and transactions between subsidiaries is recognized only in the parent company only financial statements and only to the extent of interests in the subsidiaries that are not related to the Company.

b. Investments in associates

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

The Company uses the equity method to account for its investments in associates. Under the equity method, investments in an associate is initially recognized in the parent company only balance sheet at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the associate. In addition, the Company recognizes the changes in the share of the equity of associates.

Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets, and liabilities of an associate recognized at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

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

When the Company's share of losses of an associate equals or exceeds its interest in that associate (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Company's net investment in the associate), the Company discontinues recognizing its share of further losses, if any. Additional losses are recognized only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate.

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

The Company discontinues the use of the equity method from the date on which its investment ceases to be an associate. Any retained investment is measured at fair value at that date, and the fair value is regarded as its fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. In addition, the Company accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required had that associate directly disposed of the related assets or liabilities.

When a Company transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Company's parent company only financial statements only to the extent of interests in the associate of parties that are not related to the Company.

Property, Plant and Equipment

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

Properties in the course of construction for production, supply or administrative purposes are measured at cost, less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use. Such properties are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

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

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

Investment Property

Investment properties are properties held to earn rentals or for capital appreciation. Investment properties also include land held for a currently undetermined future use.

Freehold investment properties are measured initially at cost, including transaction costs, and are subsequently measured using the fair value model. Changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

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

Intangible Assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful life, residual value, and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. The residual value of an intangible asset with a finite useful life is assumed to be zero unless the Company expects to dispose of the intangible asset before the end of its economic life. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment losses.

Derecognition of intangible assets

Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

Impairment of Property, Plant and Equipment, Right-of-use Asset, Intangible Assets Other Than Goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment, right-of-use asset and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually and whenever there is an indication that the assets may be impaired.

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

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

Financial Instruments

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

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

a. Financial assets

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

1) Measurement categories

Financial assets are classified into the following categories: Financial assets at FVTPL and financial assets at amortized cost.

a) Financial assets at FVTPL

Financial assets are classified as at FVTPL when such a financial asset is mandatorily classified as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, and any dividends or interest earned on such financial assets are recognized in other income and interest income, respectively; any remeasurement gains or losses on such financial assets are recognized in other gains or losses. Fair value is determined in the manner described in Note 30.

b) Financial assets at amortized cost

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

- i. The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- ii. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

- i. Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and
- ii. Financial assets that are not credit impaired on purchase or origination but have subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

A financial asset is credit impaired when one or more of the following events have occurred:

- i) Significant financial difficulty of the issuer or the borrower;
- ii) Breach of contract, such as a default;

- iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or
- iv) The disappearance of an active market for that financial asset because of financial difficulties.

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

2) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including accounts receivable).

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

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

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

- a) Internal or external information show that the debtor is unlikely to pay its creditors.
- b) When a financial asset is more than 90 days past due unless the Company has reasonable and corroborative information to support a more lagged default criterion.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account.

3) Derecognition of financial assets

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

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

b. Equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

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

The repurchase of the Company's own equity instruments is recognized in and deducted directly from equity. The carrying amount is calculated by weighted average of the stock types and is calculated separately according to the reason for recovery. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Company's own equity instruments.

c. Financial liabilities

1) Subsequent measurement

Except the financial liabilities at FVTPL and financial guarantee contracts, all financial liabilities are measured at amortized cost using the effective interest method.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability.

2) Derecognition of financial liabilities

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

d. Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. When the fair value of derivative financial instruments is positive, the derivative is recognized as a financial asset; when the fair value of derivative financial instruments is negative, the derivative is recognized as a financial liability.

Provisions

Provisions are measured at the best estimate of the discounted cash flows of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Revenue Recognition

The Company identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

a. Revenue from the sale of goods

Revenue from the sale of goods comes from sales of semiconductor and computer integrated circuit products. Revenue and accounts receivable are recognized when the goods are sold and the customer assumes the right to set the price, use of the goods, the primary responsibility for reselling, and takes the obsolescence risk of the goods.

b. Revenue from the rendering of services

Revenue from product design and testing services is recognized when the performance obligations of services are fulfilled.

Leasing

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

a. The Company as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms. Lease modification that resulted from a negotiation with a lessee is accounted for as a new lease from the effective date of modification.

Variable lease payments that do not depend on an index or a rate are recognized as income in the periods in which they are earned.

b. The Company as lessee

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

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the parent company only balance sheets.

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

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments, in-substance fixed payments, variable lease payments which depend on an index or a rate, residual value guarantees, the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and payments of penalties for terminating a lease if the lease term reflects such termination, less any lease incentives receivable. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses its incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. For a lease modification that is not accounted for as a separate lease, the Company accounts for the remeasurement of the lease liability by (a) decreasing the carrying amount of the right-of-use asset of lease modifications that decreased the scope of the lease, and recognizing in profit or loss any gain or loss on the partial or full termination of the lease; (b) making a corresponding adjustment to the right-of-use asset of all other lease modifications. Lease liabilities are presented on a separate line in the parent company only balance sheets.

The Company negotiates with the lessor for rent concessions as a direct consequence of the Covid-19 to change the lease payments originally due by June 30, 2022, that results in the revised consideration for the lease substantially less. There is no substantive change to other terms and conditions. The Company elects to apply the practical expedient to all of these rent concessions and, therefore, does not assess whether the rent concessions are lease modifications. Instead, the Company recognizes the reduction in lease payment in profit or loss as a deduction of expenses of other operating income and expenses, in the period in which the events or conditions that trigger the concession occur, and makes a corresponding adjustment to the lease liability. For other rent concessions in which practical expedient is not applied, the Company will assess whether to account for the rent concessions as lease modifications.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the periods in which they are incurred.

Employee Benefits

a. Short-term employee benefits

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

b. Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost and net interest on the net defined benefit liability (asset) are recognized as employee benefits expense in the period they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liability (asset) represents the actual deficit (surplus) in the Company's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

c. Other long-term employee benefits

Other long-term employee benefits are accounted for in the same way as the accounting required for defined benefit plans except that remeasurement is recognized in profit or loss.

d. Termination benefits

A liability for a termination benefit is recognized at the earlier of when the Company can no longer withdraw the offer of the termination benefit and when the Company recognizes any related restructuring costs.

Share-based Payment Arrangements

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

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

Taxation

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

a. Current tax

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

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

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

b. Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the parent company only financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, unused loss carryforward and unused tax credits for purchases of machinery, equipment and technology, research and development expenditures, and personnel training expenditures to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

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

c. Current tax and deferred tax for the year

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

Key Sources of Estimation Uncertainty

a. Fair value measurements and valuation processes on investment properties

If the Company's investment properties measured at fair value have no quoted prices in active markets, the Company will determine whether to engage third party qualified appraisers and the appropriate valuation techniques for the fair value measurements.

If Level 1 inputs are not available, the Company or engaged appraisers will determine appropriate inputs by referring to the existing lease contracts and rentals of similar properties in the vicinity of the Company's investment properties. If the actual changes of inputs in the future differ from expectation, the fair value may vary accordingly. The Company updates inputs every quarter to confirm the appropriateness of the fair value measurement.

Information on the valuation techniques and inputs used in determining the fair value of investment properties is disclosed in Note 13.

b. Write-down of inventory

Net realizable value of inventory is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The estimation of net realizable value was based on current market conditions and the historical experience of selling products of a similar nature. Changes in market conditions may have a material impact on the estimation of net realizable value.

Inventories are measured at the lower of cost or net realizable value. Judgment and estimation are applied in the determination of net realizable value at the end of reporting period. Inventories are usually written down to net realizable value item by item if those inventories are damaged, have become wholly or partially obsolete, or if their selling prices have declined.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2022	2021
Cash on hand	\$ 550	\$ 650
Checking accounts and demand deposits	858,095	492,269
Cash equivalents:		
Time deposits	76,775	-
Repurchase agreements collateralized by bonds	<u>73,000</u>	<u>22,605</u>
	<u>\$ 1,008,420</u>	<u>\$ 515,524</u>

The market rate intervals of cash equivalents at the end of the reporting period were as follows:

	December 31	
	2022	2021
Time deposits	4.83%	-
Repurchase agreements collateralized by bonds	0.53%	0.15%

7. FINANCIAL INSTRUMENTS AT FVTPL

	December 31	
	2022	2021
<u>Financial assets at FVTPL - current</u>		
Financial assets classified as at FVTPL		
Domestic listed shares	\$ 379,328	\$ 536,245
Overseas listed shares	<u>112</u>	<u>78</u>
	<u>\$ 379,440</u>	<u>\$ 536,323</u>

(Continued)

	December 31	
	2022	2021
<u>Financial assets at FVTPL - non-current</u>		
Financial assets classified as at FVTPL		
Domestic unlisted shares	\$ 34,015	\$ 38,356
Overseas unlisted shares	2,345	2,106
Domestic private convertible bonds	<u>210,585</u>	<u>199,955</u>
	<u>\$ 246,945</u>	<u>\$ 240,417</u>
<u>Financial liabilities at FVTPL - current</u>		
Financial liabilities classified as at FVTPL		
Derivative financial liabilities (not under hedge accounting)		
Foreign exchange forward contracts	<u>\$ 1,861</u>	<u>\$ -</u> (Concluded)

At the end of the year, outstanding foreign exchange contacts not under hedge accounting were as follows:

	December 31, 2022		
	Amount	Maturity Date	Rate of Exchange
Buy forward foreign exchange (USD:NTD)	US\$7,500	01.12.2023-02.24.2023	30.20-32.05

December 31, 2021: None

The Company held derivative financial instruments for trading purpose and earned profit from foreign exchange rate fluctuation.

8. ACCOUNTS RECEIVABLE (INCLUDED RELATED PARTIES) AND OTHER RECEIVABLES

	December 31	
	2022	2021
<u>At amortized cost</u>		
Accounts receivable		
Accounts receivable	\$ 42,755	\$ 80,856
Accounts receivable - related parties	113,335	122,266
Less: Allowance for impairment loss	<u>(5,959)</u>	<u>(5,959)</u>
	<u>\$ 150,131</u>	<u>\$ 197,163</u>
Other receivables		
Other receivables - related parties	\$ 35,186	\$ 18,296
Interest receivable	137	5
Others	<u>3,625</u>	<u>8,065</u>
	<u>\$ 38,948</u>	<u>\$ 26,366</u>

Receivables

The average credit period of sales of goods was 60 to 90 days. In determining the recoverability of receivables, the Company considers any changes in the credit quality of the receivable from the date the credit was initially granted to the end of the reporting period. The Company adopted a policy of only dealing with entities that have good credit rating and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. Credit rating information is obtained from publicly available financial information or the Company's own trading records to rate its major customers. The Company's exposure and the credit ratings of its counterparties are continuously monitored, and the aggregate value of transactions concluded is spread amongst approved counterparties.

Before accepting any new customer, the Company evaluates the potential customer's credit quality and defines the credit limits and ratings of the customers. The Company evaluates the financial performance periodically for the adjustment of credit limits once a year.

The Company uses lifetime expected loss provision for all trade receivables. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtor operates and an assessment of both the current as well as the forecast direction of economic conditions at the reporting date. As the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Company's different customer base.

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

The following table details the loss allowance of accounts receivable based on the Company's provision matrix.

December 31, 2022

	Not Past Due	Less than 60 Days	61 to 90 Days	Over 90 Days	Total
Expected credit loss rate	0.50%-10%	10%-30%	30%-50%	100%	
Gross carrying amount	\$ 151,397	\$ 4,691	\$ -	\$ 2	\$ 156,090
Loss allowance (lifetime ECLs)	<u>(4,550)</u>	<u>(1,407)</u>	<u>-</u>	<u>(2)</u>	<u>(5,959)</u>
Amortized cost	<u>\$ 146,847</u>	<u>\$ 3,284</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 150,131</u>

December 31, 2021

	Not Past Due	Less than 60 Days	61 to 90 Days	Over 90 Days	Total
Expected credit loss rate	0.50%-10%	10%-30%	30%-50%	100%	
Gross carrying amount	\$ 190,667	\$ 12,455	\$ -	\$ -	\$ 203,122
Loss allowance (lifetime ECLs)	<u>(2,223)</u>	<u>(3,736)</u>	<u>-</u>	<u>-</u>	<u>(5,959)</u>
Amortized cost	<u>\$ 188,444</u>	<u>\$ 8,719</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 197,163</u>

The above aging schedule was based on the past due days.

The movements of the loss allowance of accounts receivable were as follows:

	For the Year Ended December 31, 2022
	Accounts Receivable (Including Related Parties)
Balance at January 1, 2022	\$ 5,959
Add: Net remeasurement of loss allowance	<u>-</u>
Balance at December 31, 2022	<u>\$ 5,959</u>
	For the Year Ended December 31, 2021
	Accounts Receivable (Including Related Parties)
Balance at January 1, 2021	\$ 5,959
Add: Net remeasurement of loss allowance	<u>-</u>
Balance at December 31, 2021	<u>\$ 5,959</u>

Other Receivables

Other receivables from related parties are described in Note 31.

9. INVENTORIES

	December 31	
	2022	2021
Merchandise	\$ 49,304	\$ 48,213
Finished goods	209,654	29,685
Work-in-process	591,800	255,415
Raw materials	<u>766,022</u>	<u>717,209</u>
	<u>\$ 1,616,780</u>	<u>\$ 1,050,522</u>

The cost of inventories recognized as cost of goods sold for the year ended December 31, 2022 was \$57,767 thousand, 87,324 thousand, and \$2,315 thousand, respectively, due to devaluation, retirement, and obsolescence of inventories.

The cost of inventories recognized as cost of goods sold for the year ended December 31, 2021 was \$29,138 thousand, 74,567 thousand, and \$2,456 thousand, respectively, due to devaluation, retirement, and obsolescence of inventories.

10. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2022	2021
Investment in subsidiaries	<u>\$ 13,741,033</u>	<u>\$ 13,875,986</u>
Investment in associates	<u>\$ 173,467</u>	<u>\$ 20,684</u>

a. Investments in subsidiaries

	December 31	
	2022	2021
Listed equity investments		
Vate Technology Co., Ltd.	\$ 339,708	\$ 364,476
VIA Labs, Inc.	1,686,821	1,715,979
Unlisted equity investments		
VIATECH Co., Ltd.	4,506,884	4,953,132
VIABASE Co., Ltd.	7,170,800	6,829,126
TUNGBASE Technologies Ltd.	-	-
Wei-Hon Co, Ltd.	10,856	10,808
VIA Intelligent Automotive, Inc.	2,462	2,465
VIA Next Technologies, Inc.	<u>23,502</u>	<u>(175,702)</u>
	13,741,033	13,700,284
Add: Credit balance of investments accounted for using the equity method reclassified as other liabilities (Note 19)	<u>-</u>	<u>175,702</u>
	<u>\$ 13,741,033</u>	<u>\$ 13,875,986</u>

At the end of the reporting period, the proportion of ownership and voting rights in subsidiaries held by the Company were as follows:

	December 31	
	2022	2021
Vate Technology Co., Ltd.	66.28%	66.28%
VIA Labs, Inc.	56.49%	57.11%
VIATECH Co., Ltd.	100.00%	100.00%
VIABASE Co., Ltd.	100.00%	100.00%
TUNGBASE Technologies Ltd.	100.00%	100.00%
Wei-Hon Co, Ltd.	100.00%	100.00%
VIA Intelligent Automotive, Inc.	100.00%	100.00%
VIA Next Technologies, Inc.	100.00%	100.00%

In 2021, the Company invested additional \$134,560 thousand in VIA CPU Platform (Taiwan) Co., Ltd. VIA CPU Platform (Taiwan) Co., Ltd. was renamed as VIA Next Technologies, Inc. in August 2021. The carrying amount of investment in VIA Next Technologies, Inc. includes the unrealized deferred benefits from the lease of investment properties to the subsidiary and the adjustment of right-of-use assets. As of December 31, 2022 and 2021, the unrealized deferred benefits and the adjustment amount were \$317,825 thousand and \$0 thousand and \$324,500 thousand and \$(706) thousand, respectively.

As a result of the changes in equity of VIATECH Co., Ltd., VIABASE Co., Ltd., Vate Technology Co., Ltd. and VIA Labs, Inc. (“VLI”), the Company increased capital surplus by \$51 thousand and \$113 thousand and unrealized loss on equity instruments at FVTOCI by \$35,947 thousand and \$12,650 thousand in 2022 and 2021, respectively, in accordance with the percentage of ownership, and received cash dividends of \$854,400 thousand from VIATECH Co., Ltd., in accordance with the percentage of ownership.

In 2022, employees of VLI exercised stock options and the Company reduced its equity interest in VLI from 57.11% to 56.49%. The above transactions without a loss of control were accounted for as equity transaction, and the Company recognized capital surplus of \$14,040 thousand and \$7,284 thousand in 2022 and 2021, respectively. Refer to Note 27 for the details of the equity transaction with the subsidiary.

In 2022 and 2021, respectively, VLI issued employee share options and recognized compensation cost of \$1,270 thousand and \$3,179 thousand, resulting from the changes in equity of VLI, the Company increased capital surplus by \$717 thousand and \$1,829 thousand, respectively, in accordance with the percentage of ownership. Refer to Note 29 to the consolidated financial statements for the year ended December 31, 2022. In addition, the Company received cash dividends of \$426,743 thousand and \$174,794 thousand from VLI, in accordance with the percentage of ownership in 2022 and 2021, respectively.

Refer to Note 36 for the details of the subsidiaries indirectly held by the Company.

Except for VIA Intelligent Automotive, Inc., Wei-Hon Co, Ltd. and TUNGBASE Technologies Ltd. in 2022 and 2021, the investments were accounted for using the equity method and the share of profit or loss and other comprehensive income of those investments were calculated based on financial statements which have been audited. The management believes the financial statements of VIA Intelligent Automotive, Inc., Wei-Hon Co, Ltd. and TUNGBASE Technologies Ltd. for 2022 and 2021 which have not been audited did not have material impact on the Company’s parent company only financial statements. The Company’s share of profit or loss of the subsidiaries under the equity method which amounted to \$443,268 thousand and \$4,197,034 thousand in 2022 and 2021, respectively, was as follows:

	For the Year Ended December 31	
	2022	2021
VIATECH Co., Ltd.	\$ 159,810	\$ 810,211
VIABASE Co., Ltd.	(317,685)	2,857,227
TUNGBASE Technologies Ltd.	-	(30)
VIA Intelligent Automotive, Inc.	(3)	-
VIA Labs, Inc.	413,836	501,315
Vate Technology Co., Ltd.	(11,920)	40,166
Wei-Hon Co, Ltd.	48	18
VIA Next Technologies, Inc.	<u>199,182</u>	<u>(11,873)</u>
	<u>\$ 443,268</u>	<u>\$ 4,197,034</u>

b. Investments in associates

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
<u>Associates that are not individually material</u>		
Intumit Inc.	\$ 20,954	\$ 20,684
iDOT Computers, Inc.	-	-
HLJ technology Co., Ltd.	<u>152,513</u>	<u>-</u>
	<u>\$ 173,467</u>	<u>\$ 20,684</u>

Aggregate information of the associates that are not individually material is set out below.

	<u>For the Year Ended December 31</u>	
	<u>2022</u>	<u>2021</u>
The Company's share of:		
Net profit for the year	\$ (11,921)	\$ 696
Other comprehensive income and loss	<u>32</u>	<u>(29)</u>
Total comprehensive income and loss for the year	<u>\$ (11,889)</u>	<u>\$ 667</u>

Intumit Inc. issued employee share options and distributed earnings in 2022; as a result, the Company increased capital surplus by \$114 thousand and received cash dividends of \$720 thousand in accordance with the percentage of ownership. Intumit Inc. issued employee share options and distributed earnings in 2021; as a result, the Company increased capital surplus by \$139 thousand and received cash dividends of \$720 thousand in accordance with the percentage of ownership.

In August 2022, the Company acquired 12.05% of the shares of HLJ Technology Co., Ltd. with a cash investment of \$165,760 thousand. In addition, HLJ Technology Co., Ltd. redeemed restricted stocks that failed to meet the vested conditions in August 2022 and December 2022, which resulted in an increase in the shareholding ratio to 12.08% and an increase in the capital surplus by \$234 thousand.

Except for HLJ Technology Co., Ltd., the management believes the financial statements of above investments in associates for the years ended, which have not been audited, did not have a material impact on the Company's financial statements.

The Company discontinued its financial support to iDOT Computers, Inc. in 2022 and 2021, and consequently, discontinued recognition of its share of losses of this associate. The Company's share of loss of its associate is limited to its interest in this associate. The amounts of unrecognized share of loss of this associate, both for the reporting periods and cumulatively, were as follows:

	<u>For the Year Ended December 31</u>	
	<u>2022</u>	<u>2021</u>
Unrecognized share of losses of the associate for the year	<u>\$ (7)</u>	<u>\$ (23)</u>
Accumulated unrecognized share of losses of the associate	<u>\$ (58)</u>	<u>\$ (51)</u>

11. PROPERTY, PLANT AND EQUIPMENT

	December 31	
	2022	2021
Assets used by the Company		
Land	\$ 547,307	\$ 547,307
Buildings and improvements	187,517	196,569
Machinery and equipment	15,934	9,098
Computer equipment	19,151	25,279
Instrument equipment	2,297	959
Transportation equipment	399	728
Furniture and fixtures	95	254
Leasehold improvements	180	212
	<u>\$ 772,880</u>	<u>\$ 780,406</u>

	Land	Buildings and Improvements	Machinery and Equipment	Computer Equipment	Instrument Equipment	Transportation Equipment	Furniture and Fixtures	Leasehold Improvements	Total
<u>Cost</u>									
Balance at January 1, 2021	\$ 547,307	\$ 356,015	\$ 58,226	\$ 107,163	\$ 53,097	\$ 4,959	\$ 4,555	\$ 5,681	\$ 1,137,003
Additions	-	7,118	4,140	5,305	756	-	-	185	17,504
Disposal	-	(218)	(378)	(11,512)	(605)	-	-	-	(12,713)
Balance at December 31, 2021	<u>\$ 547,307</u>	<u>\$ 362,915</u>	<u>\$ 61,988</u>	<u>\$ 100,956</u>	<u>\$ 53,248</u>	<u>\$ 4,959</u>	<u>\$ 4,555</u>	<u>\$ 5,866</u>	<u>\$ 1,141,794</u>
Balance at January 1, 2022	\$ 547,307	\$ 362,915	\$ 61,988	\$ 100,956	\$ 53,248	\$ 4,959	\$ 4,555	\$ 5,866	\$ 1,141,794
Additions	-	801	11,969	3,298	1,758	-	-	82	17,908
Disposal	-	(73)	(17,049)	(1,371)	-	-	-	-	(18,493)
Balance at December 31, 2022	<u>\$ 547,307</u>	<u>\$ 363,643</u>	<u>\$ 56,908</u>	<u>\$ 102,883</u>	<u>\$ 55,006</u>	<u>\$ 4,959</u>	<u>\$ 4,555</u>	<u>\$ 5,948</u>	<u>\$ 1,141,209</u>
<u>Accumulated depreciation and impairment</u>									
Balance at January 1, 2021	\$ -	\$ 156,591	\$ 49,863	\$ 77,630	\$ 51,443	\$ 3,903	\$ 4,107	\$ 5,492	\$ 349,029
Depreciation expenses	-	9,973	3,405	9,559	1,451	328	194	162	25,072
Disposal	-	(218)	(378)	(11,512)	(605)	-	-	-	(12,713)
Balance at December 31, 2021	<u>\$ -</u>	<u>\$ 166,346</u>	<u>\$ 52,890</u>	<u>\$ 75,677</u>	<u>\$ 52,289</u>	<u>\$ 4,231</u>	<u>\$ 4,301</u>	<u>\$ 5,654</u>	<u>\$ 361,388</u>
Balance at January 1, 2022	\$ -	\$ 166,346	\$ 52,890	\$ 75,677	\$ 52,289	\$ 4,231	\$ 4,301	\$ 5,654	\$ 361,388
Depreciation expenses	-	9,853	5,133	9,426	420	329	159	114	25,434
Disposal	-	(73)	(17,049)	(1,371)	-	-	-	-	(18,493)
Balance at December 31, 2022	<u>\$ -</u>	<u>\$ 176,126</u>	<u>\$ 40,974</u>	<u>\$ 83,732</u>	<u>\$ 52,709</u>	<u>\$ 4,560</u>	<u>\$ 4,460</u>	<u>\$ 5,768</u>	<u>\$ 368,329</u>

- a. The above items of property, plant and equipment are depreciated on a straight-line basis over the estimated useful life as follows:

Buildings and improvements	5-55 years
Machinery and equipment	3-5 years
Computer equipment	3-5 years
Instrument equipment	3-5 years
Transportation equipment	3-5 years
Furniture and fixtures	3-5 years
Leasehold improvements	2-3 years

The major component parts of the buildings held by the Company included plant structures and power supplies, etc., are depreciated over their estimated useful lives of 50 to 55 years and 5 years, respectively.

- b. There were no capitalized interests for the years ended December 31, 2022 and 2021.
- c. Refer to Note 32 for the carrying amount of property, plant and equipment pledged as collateral.
- d. The land and building rented to third parties were classified as investment properties, refer to Note 13.

12. LEASE ARRANGEMENTS

a. Right-of-use assets

	<u>December 31</u>	
	2022	2021
<u>Carrying amount</u>		
Buildings	<u>\$ 18,633</u>	<u>\$ 11,169</u>
	<u>For the Year Ended December 31</u>	
	2022	2021
Additions to right-of-use assets	<u>\$ 24,289</u>	<u>\$ 12,685</u>
Depreciation charge for right-of-use assets		
Buildings	<u>\$ 9,645</u>	<u>\$ 9,827</u>

Except for the aforementioned addition and recognized depreciation, the Company did not have significant sublease or impairment of right-of-use assets during the years ended December 31, 2022 and 2021.

b. Lease liabilities

	<u>December 31</u>	
	2022	2021
<u>Carrying amount</u>		
Current	<u>\$ 8,594</u>	<u>\$ 6,992</u>
Non-current	<u>\$ 9,262</u>	<u>\$ 3,795</u>

Range of discount rates for lease liabilities was as follows:

	<u>December 31</u>	
	2022	2021
Buildings	1.70%	1.70%

c. Material leasing activities and terms

The Company leases certain buildings for use as offices with lease terms of 1 to 20 years. The Company does not have bargain purchase options to acquire the leasehold buildings at the end of the lease terms. In addition, the Company is prohibited from subleasing or transferring all or any portion of the underlying assets without the lessor's consent.

d. Other lease information

	<u>For the Year Ended December 31</u>	
	2022	2021
Expenses relating to short-term leases	<u>\$ 2,571</u>	<u>\$ 1,974</u>
Total cash outflow for leases	<u>\$ 12,860</u>	<u>\$ 11,617</u>

The Company leases certain office equipment assets which qualify as short-term leases and low-value asset leases. The Company has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

13. INVESTMENT PROPERTIES

	Completed Investment Property
Balance at January 1, 2021	\$ 1,178,132
Addition	-
Gain on change in fair value of investment properties	<u>24,672</u>
Balance at December 31, 2021	<u>\$ 1,202,804</u>
Balance at January 1, 2022	\$ 1,202,804
Addition	644
Gain on change in fair value of investment properties	<u>(27,341)</u>
Balance at December 31, 2022	<u>\$ 1,176,107</u>

The investment properties were leased out for 1 to 3 years. All lease contracts contain market review clauses applicable to contract renewals. The lessee does not have a bargain purchase option to acquire the investment property at the expiry of the lease period.

The maturity analysis of lease payments receivable under operating leases of investment properties at December 31, 2022 and 2021 was as follows:

	December 31	
	2022	2021
Year 1	\$ 109,760	\$ 46,131
Year 2	86,839	14,017
Year 3	13,257	747
Year 4	3,199	15
Year 5	<u>11</u>	<u>-</u>
	<u>\$ 213,066</u>	<u>\$ 60,910</u>

The fair values of investment properties with a carrying amount of at least 10% of the total assets as of December 31, 2022 and 2021 were based on the valuations carried out by independent qualified professional appraisers, Jin Sheng Lin and Huo Ming Huang, and Jin Sheng Lin and Kun Long Sie from Prudential Cross-Strait Real Estate Appraisers Firm, members of certified ROC real estate appraisers, who concluded that the fair values were reasonable.

The fair value of investment properties was estimated using unobservable inputs (Level 3). The movements in the fair value were as follows:

	Total
Balance at January 1, 2021	\$ 1,178,132
Addition	-
Recognized in profit or loss (gain arising from the change in fair value of investment property)	
Unrealized	<u>24,672</u>
Balance at December 31, 2021	<u>\$ 1,202,804</u>
Balance at January 1, 2022	\$ 1,202,804
Addition	644
Recognized in profit or loss (gain arising from the change in fair value of investment property)	
Unrealized	<u>(27,341)</u>
Balance at December 31, 2022	<u>\$ 1,176,107</u>

The fair value of investment properties was measured using the income approach. The significant assumptions used were stated below. The increase in estimated future net cash inflows, or the decrease in discount rates would result in increase in the fair value.

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
Expected future cash inflows	\$ 1,667,018	\$ 1,614,332
Expected future cash outflows	<u>(52,889)</u>	<u>(51,986)</u>
Expected future cash inflows, net	<u>\$ 1,614,219</u>	<u>\$ 1,562,346</u>
Discount rate	2.97%-3.72%	2.35%-3.10%

The market rentals for comparable properties in the area where the investment property is located were \$1 thousand per ping (per 3.3 square meters).

Most investment properties had been leased out under operating leases. The rental income generated for the years ended December 31, 2022 and 2021 was \$31,935 thousand and \$33,062 thousand, respectively. The disposal value of investment properties was \$1,297,173 thousand and \$1,251,982 thousand under the income approach on December 31, 2022 and 2021, respectively.

The expected future cash inflows generated by investment property included rental income, interest income on rental deposits and disposal value. The rental income was extrapolated using the Company's current rental, taking into account the annual rental growth rate; the income analysis covers a 10-year period, the interest income on rental deposits was extrapolated using the Company's current rental, taking into account the annual rental growth rate; the time deposit interest rate for a 1-year; the disposal value was determined using the direct capitalization method under the income approach. The expected future cash outflows incurred by investment property included expenditure such as land value taxes, house taxes, maintenance costs, administrative expenses and insurance premium. These expenditure were extrapolated on the basis of the current level of expenditures, taking into account the future adjustment to the government-announced land value, the tax rate promulgated under the House Tax Act.

The discount rate was determined by reference to the interest rate for 2-year time deposits as posted by Chunghwa Post Co., Ltd., plus 0.75%, and any asset-specific risk premiums between 0.72% and 1.52%.

The investment properties held by the Company were all own interest. The investment properties pledged as collateral for bank borrowings were set out in Note 32.

14. INTANGIBLE ASSETS

	December 31		
	2022		2021
Carrying amount			
Patents	\$ -		\$ -
Computer software	<u>9,540</u>		<u>18,035</u>
	<u>\$ 9,540</u>		<u>\$ 18,035</u>
	2022		
	Patents	Computer Software	Total
<u>Cost</u>			
Balance at beginning of the year	\$ 42,866	\$ 469,755	\$ 512,621
Acquisition	<u>-</u>	<u>3,255</u>	<u>3,255</u>
Balance at end of the year	<u>42,866</u>	<u>473,010</u>	<u>515,876</u>
<u>Accumulated amortization and impairment</u>			
Balance at beginning of the year	(42,866)	(451,720)	(494,586)
Amortization	<u>-</u>	<u>(11,750)</u>	<u>(11,750)</u>
Balance at end of the year	<u>(42,866)</u>	<u>(463,470)</u>	<u>(506,336)</u>
Net carrying amount, at end of the year	<u>\$ -</u>	<u>\$ 9,540</u>	<u>\$ 9,540</u>
	2021		
	Patents	Computer Software	Total
<u>Cost</u>			
Balance at beginning of the year	\$ 56,163	\$ 615,082	\$ 671,245
Acquisition	-	12,478	12,478
Disposal	<u>(13,297)</u>	<u>(157,805)</u>	<u>(171,102)</u>
Balance at end of the year	<u>42,866</u>	<u>469,755</u>	<u>512,621</u>
<u>Accumulated amortization and impairment</u>			
Balance at beginning of the year	(56,163)	(601,490)	(657,653)
Amortization	-	(8,035)	(8,035)
Disposal	<u>13,297</u>	<u>157,805</u>	<u>171,102</u>
Balance at end of the year	<u>(42,866)</u>	<u>(451,720)</u>	<u>(494,586)</u>
Net carrying amount, at end of the year	<u>\$ -</u>	<u>\$ 18,035</u>	<u>\$ 18,035</u>

The above items of intangible assets are amortized on a straight-line basis over the estimated useful life of the asset:

Patents	3-5 years
Computer software	3-5 years

15. OTHER ASSETS

	<u>December 31</u>	
	2022	2021
Prepaid expense	\$ 29,149	\$ 27,902
Prepayments of purchases of merchandise	13,820	97,347
Income tax refund receivable	-	26
Value-added tax receivable	31,662	25,167
Excess value-added tax paid	30,180	-
Temporary payment	368	277
Refundable deposits	<u>9,399</u>	<u>9,012</u>
	<u>\$ 114,578</u>	<u>\$ 159,731</u>
Current	\$ 105,179	\$ 150,719
Non-current	<u>9,399</u>	<u>9,012</u>
	<u>\$ 114,578</u>	<u>\$ 159,731</u>

16. BORROWINGS

a. Long-term borrowings

	<u>December 31</u>	
	2022	2021
Secured borrowings		
Bank loans	\$ 952,000	\$ 765,000
Unsecured borrowings		
Bank loans	1,750,000	1,350,000
Less: Current portion	<u>(692,000)</u>	<u>(950,000)</u>
Long-term borrowings	<u>\$ 2,010,000</u>	<u>\$ 1,165,000</u>

The long-term borrowings of the Company included:

		December 31	
		2022	2021
Taiwan Cooperative Bank - unsecured loan	Credit line: \$300,000 thousand Period: November 4, 2020 - November 4, 2025 Payment: From May 2023, the loan will be repaid in six semi-annual installments of \$50,000 thousand for each installment.	\$ 300,000	\$ 300,000
Mega International Commercial Bank - unsecured loan	Credit line: \$500,000 thousand Period: January 31, 2019 - January 30, 2022 Payment: From one year after the signing date, the loan will be repaid in one annual installment of \$50,000 thousand; \$400,000 thousand for the last installment.	-	400,000
Mega International Commercial Bank - secured loan	Credit line: \$600,000 thousand Period: June 4, 2019 - June 3, 2022 Payment: From one year after the signing date, the loan will be repaid in first (10%) and second (10%) annual installments; 80% will be repaid in full on the last installment.	-	200,000
Mega International Commercial Bank - secured loan	Credit line: \$600,000 thousand Period: March 24, 2020 - March 24, 2023 Payment: From one year after the signing date, the loan will be repaid in first (10%) and second (10%) annual installments; 80% will be repaid in full on the last installment.	330,000	330,000
Mega International Commercial Bank - unsecured loan	Credit line: \$500,000 thousand Period: April 19, 2022 - April 19, 2025 Payment: From one year after the signing date, the loan will be repaid in first (10%) and second (10%) annual installments; 80% will be repaid in full on the last installment.	500,000	-
Mega International Commercial Bank - secured loan	Credit line: \$600,000 thousand Period: April 19, 2022 - April 19, 2025 Payment: From one year after the signing date, the loan will be repaid in the first (10%) and second (10%) annual installments; 80% will be repaid in full on the last installment.	470,000	-
O-Bank Co., Ltd. and China Bills Financial Corporation - \$1.7 billion syndicated loan	Credit line: \$300,000 thousand Period: December 24, 2020 - December 24, 2023 Payment: Each loan will be repaid on maturity date. The unliquidated loan may be recycled. The maturity date is three years after the date of the first use.	152,000	235,000
CTBC Bank - unsecured loan	Credit line: \$300,000 thousand Period: October 24, 2019 - October 24, 2022 Payment: From one year after the signing date, the loan will be repaid in four installments of 10% each installment every three months; 40% will be repaid on the last installment.	-	150,000
CTBC Bank - unsecured loan	Credit line: \$400,000 thousand Period: August 26, 2022 - August 26, 2025 Payment: From one year after the signing date, the loan will be repaid in seven installments of 15% each installment every six months; 30% will be repaid on the last installment.	400,000	-

(Continued)

		December 31	
		2022	2021
KGIB - unsecured loan	Credit line: \$300,000 thousand Period: January 22, 2021 - January 22, 2024 Payment: The amount will start to diminish from the date of the one-year expiration of the contract. The loan will be repaid by installments of \$30,000 thousand annually. On the third year, the remaining \$240,000 thousand will be settled in full.	\$ -	\$ 300,000
KGIB - unsecured loan	Credit line: \$500,000 thousand Period: April 22, 2022 - April 22, 2025 Payment: The amount will start to diminish from the date of the half-year expiration of the contract. The loan will be repaid by installments of \$100,000 thousand annually. On the third year, the remaining \$300,000 thousand will be settled in full.	450,000	-
JihSun International Commercial Bank - unsecured loan	Credit line: \$200,000 thousand Period: January 22, 2021 - July 30, 2022 Payment: The loan will be repaid on the maturity date on July 30, 2022.	-	200,000
JihSun International Commercial Bank - unsecured loan	Credit line: \$300,000 thousand Period: July 1, 2022 - July 1, 2024 Payment: The loan will be repaid on the maturity date on July 30, 2024.	100,000	-
Less: Current portion		<u>(692,000)</u>	<u>(950,000)</u>
Total long-term borrowings		<u>\$ 2,010,000</u>	<u>\$ 1,165,000</u>

(Concluded)

As of December 31, 2022 and 2021, the weighted average effective interest rates of the bank borrowings were 1.73%-2.13% and 1.39%-1.79%, respectively.

The Company had applied to O-Bank Co., Ltd. and China Bills Finance for \$1,700,000 thousand of a syndicated loan in December 2020. The facility of the bank borrowings and commercial paper was \$300,000 thousand and \$1,400,000 thousand, respectively. The loan is utilized during the date starting from the first three years, the Company shall maintain the following financial ratios and restrictions during the contract period, and the financial ratios should be reviewed based on the audited consolidated annual financial statements:

- Current ratio: Current assets divided by current liabilities, no less than 100%.
- Liability ratio: Total liabilities divided by net tangible assets, no more than 200%.
- Net tangible assets: No less than \$3,000,000 thousand.

The above financial ratios are reviewed at least once a year. If the Company violates the foregoing financial ratios, the administration bank will host a conference to decide whether that is a breach of the contract. If the banks decided that there was a breach of the contract, all of the debts become due and the Company should liquidate all the debts upon receiving the notification from the administration bank.

Refer to Note 32 for the carrying amount of assets pledged by the Company to secure borrowings banking facilities.

b. Long-term bills payable

	<u>December 31</u>	
	2022	2021
Commercial paper	\$ 708,000	\$ 1,102,000
Less: Unamortized discount on bills payable	(648)	(516)
Less: Current portion	<u>(707,352)</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ 1,101,484</u>

Outstanding long-term bills payable were as follows:

Promissory Institutions	Nominal Amount	Discount Amount	Carrying Value	Interest Rate
<u>December 31, 2022</u>				
China Bills Finance	<u>\$ 708,000</u>	<u>\$ 648</u>	<u>\$ 707,352</u>	2.007%-2.165%
<u>December 31, 2021</u>				
China Bills Finance	<u>\$ 1,102,000</u>	<u>\$ 516</u>	<u>\$ 1,101,484</u>	1.229%-1.402%

- 1) The payables of the commercial paper was recurring issued within three years, handing fees and interests were repaid only in the loan period. For more details of the contracts, refer to foregoing syndicated loan contract.
- 2) Refer to Note 32 for the carrying amount of long-term bills payable pledged by the Company to secure borrowings banking facilities.

17. NOTES AND ACCOUNTS PAYABLE (INCLUDED RELATED PARTIES)

	<u>December 31</u>	
	2022	2021
Notes payable	\$ 638	\$ 685
Accounts payable	719,123	639,375
Accounts payable - related parties	<u>66,523</u>	<u>79,391</u>
	<u>\$ 786,284</u>	<u>\$ 719,451</u>

The average term of payment is 60 to 90 days. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

18. OTHER LIABILITIES

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
<u>Other payables</u>		
Salaries and bonuses	\$ 176,037	\$ 167,555
Royalties and technical service fees	6,514	4,496
Professional fees	12,054	9,329
Insurance	6,939	6,816
Research and development	10,928	9,622
Advertisement	101	942
Pension (Note 20)	6,061	6,031
Equipment	9,337	14,503
Employees' compensation and remuneration of directors (Note 23)	686,619	687,619
Purchase intangible assets	5,840	12,882
Others	<u>12,741</u>	<u>14,494</u>
	<u>\$ 933,171</u>	<u>\$ 934,289</u>
<u>Other liabilities</u>		
Advance receipts (Note 31)	\$ 400,795	\$ 226,062
Receipts under custody	15,725	7,572
Guarantee deposit (Note 31)	6,693	6,757
Deferred credit	1,896	1,896
Credit balance of investments accounted for using the equity method (Note 10)	<u>-</u>	<u>175,702</u>
	<u>\$ 425,109</u>	<u>\$ 417,989</u>
Current		
Other payables	<u>\$ 933,171</u>	<u>\$ 934,289</u>
Other liabilities	<u>\$ 416,520</u>	<u>\$ 233,634</u>
Non-current		
Other payables	<u>\$ -</u>	<u>\$ -</u>
Other liabilities	<u>\$ 8,589</u>	<u>\$ 184,355</u>

19. PROVISIONS

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
Provisions for discounts and allowances	<u>\$ 282,223</u>	<u>\$ 132,783</u>
Current	\$ 282,223	\$ 132,783
Non-current	<u>-</u>	<u>-</u>
	<u>\$ 282,223</u>	<u>\$ 132,783</u>

	For the Year Ended December 31	
	2022	2021
Balance at beginning of the year	\$ 132,783	\$ 6,989
Provisions recognized	211,106	127,584
Reversal of unused balance	<u>(61,666)</u>	<u>(1,790)</u>
Balance at end of the year	<u>\$ 282,223</u>	<u>\$ 132,783</u>

20. RETIREMENT BENEFIT PLANS

Defined Contribution Plans

The pension plan under the Labor Pension Act (LPA) is a defined contribution plan. Based on the LPA, the Company makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

The total expenses recognized in the parent company only statement of comprehensive income were \$23,926 thousand and \$24,261 thousand, representing the contributions to these plans by the Company at the rates specified in the plans for the years ended December 31, 2022 and 2021, respectively. As of December 31, 2022 and 2021, the amounts of contributions payable were \$6,061 thousand and \$6,031 thousand, respectively.

Defined Benefit Plans

Based on the defined benefit plan under the Labor Standards Act (LSA), pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Company contributed amounts equal to 2% of total monthly salaries and wages to the pension fund administered by the pension fund monitoring committee. The pension fund is deposited in Bank of Taiwan in the committee's name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Company has no right to influence the investment policy and strategy.

The amounts included in the parent company only balance sheets in respect of the obligation of the Company under the defined benefit plans were as follows:

	December 31	
	2022	2021
Present value of defined benefit obligation	\$ (633,558)	\$ (664,693)
Fair value of plan assets	<u>327,741</u>	<u>314,011</u>
Deficit	(305,817)	(350,682)
Asset ceiling	<u>-</u>	<u>-</u>
Net defined benefit liabilities	<u>\$ (305,817)</u>	<u>\$ (350,682)</u>
Defined benefit liabilities	<u>\$ 305,817</u>	<u>\$ 350,682</u>

Movements in net defined benefit liability were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liability
Balance at January 1, 2021	<u>\$ (642,583)</u>	<u>\$ 305,792</u>	<u>\$ (336,791)</u>
Service cost			
Current service cost	(4,715)	-	(4,715)
Net interest (expense) income	<u>(3,213)</u>	<u>1,542</u>	<u>(1,671)</u>
Recognized in profit or loss	<u>(7,928)</u>	<u>1,542</u>	<u>(6,386)</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	3,961	3,961
Actuarial loss - changes in demographic assumptions	(19,197)	-	(19,197)
Actuarial gain experience adjustments	<u>2,735</u>	<u>-</u>	<u>2,735</u>
Recognized in other comprehensive (loss) income	<u>(16,462)</u>	<u>3,961</u>	<u>(12,501)</u>
Contributions from the employer	-	4,996	4,996
Benefits paid	<u>2,280</u>	<u>(2,280)</u>	<u>-</u>
Balance at December 31, 2021	<u>\$ (664,693)</u>	<u>\$ 314,011</u>	<u>\$ (350,682)</u>
Balance at January 1, 2022	<u>\$ (664,693)</u>	<u>\$ 314,011</u>	<u>\$ (350,682)</u>
Service cost			
Current service cost	(4,552)	-	(4,552)
Net interest (expense) income	<u>(3,323)</u>	<u>1,583</u>	<u>(1,740)</u>
Recognized in profit or loss	<u>(7,875)</u>	<u>1,583</u>	<u>(6,292)</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	24,787	24,787
Actuarial loss - changes in demographic assumptions	(48)	-	(48)
Actuarial gain - changes in financial assumptions	25,357	-	25,357
Actuarial loss - experience adjustments	<u>(4,122)</u>	<u>-</u>	<u>(4,122)</u>
Recognized in other comprehensive income	<u>21,187</u>	<u>24,787</u>	<u>45,974</u>
Contributions from the employer	-	5,183	5,183
Benefits paid	<u>17,823</u>	<u>(17,823)</u>	<u>-</u>
Balance at December 31, 2022	<u>\$ (633,558)</u>	<u>\$ 327,741</u>	<u>\$ (305,817)</u>

An analysis by function of the amounts recognized in profit or loss in respect of the defined benefit plans was as follows:

	For the Year Ended December 31	
	2022	2021
<u>Summary of functions</u>		
Operating costs	\$ 359	\$ 348
Selling and marketing expenses	427	454
General and administrative expenses	2,051	2,040
Research and development expenses	<u>3,455</u>	<u>3,544</u>
	<u>\$ 6,292</u>	<u>\$ 6,386</u>

Through the defined benefit plans under the LSA, the Company is exposed to the following risks:

- a. Investment risk: The plan assets are invested in domestic/and foreign/equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.
- b. Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.
- c. Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2022	2021
Discount rates	1.375%	0.500%
Expected rates of salary increase	3.500%	3.000%

If possible reasonable change in each of the significant actuarial assumptions occur and all other assumptions remain constant, the present value of the defined benefit obligation will increase (decrease) as follows:

	December 31	
	2022	2021
Discount rates		
0.25% increase	<u>\$ (15,364)</u>	<u>\$ (17,716)</u>
0.25% decrease	<u>\$ 15,918</u>	<u>\$ 18,396</u>
Expected rates of salary increase		
0.25% increase	<u>\$ 15,317</u>	<u>\$ 17,648</u>
0.25% decrease	<u>\$ (14,867)</u>	<u>\$ (17,094)</u>

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
The expected contributions to the plan for the next year	\$ <u>4,618</u>	\$ <u>5,103</u>
The average duration of the defined benefit obligation	10.0 years	11.1 years

21. EQUITY

Share Capital

Ordinary shares

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
Number of authorized shares (in thousands)	<u>2,000,000</u>	<u>2,000,000</u>
Amount of authorized shares	<u>\$ 20,000,000</u>	<u>\$ 20,000,000</u>
Number of issued and fully paid shares (in thousands)	<u>497,010</u>	<u>494,411</u>
Amount of issued and fully paid shares	\$ 4,970,099	\$ 4,944,109
Additional paid-in capital	<u>98,379</u>	<u>43,580</u>
	<u>\$ 5,068,478</u>	<u>\$ 4,987,689</u>
Advance receipts for share capital	<u>\$ 12,037</u>	<u>\$ 24,881</u>

Issued ordinary shares with a par value of \$10 entitle the right to vote and receive dividends from appropriation. On April 29, 2021, transferring of 150,000 thousand ordinary shares through a private placement issued in May 2010 was resolved by the board of directors in its meeting and was registered by the FSC effective on August 6, 2021.

As of December 31, 2021, employees exercised 903.3 thousand units of share options and the procedure for capital registration has not been completed; therefore, it was recognized as advance receipts for share capital. In 2022, employees exercised 2,183.2 thousand of share options. In the conversion of the aforementioned share options, 2,599 thousand shares have been applied to Ministry of Economic Affairs for its capital registration in years 2022. As of December 31, 2022, the amount of issued and fully paid shares increased to \$4,970,099 thousand, and 487.5 thousand shares were recognized as advance receipts for share capital because the capital registration has not been completed.

Capital Surplus

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
Issuance of ordinary shares	\$ 98,379	\$ 43,580
Change in percentage of ownership interests in the subsidiary (Note 27)	1,065,526	1,079,566
Change in capital surplus from investments in subsidiaries and associates	11,137	10,738
Recognition of employee share options issued by the subsidiary (Note 10)	8,482	7,765
Employee share options (Note 26)	55,273	66,907
Expired employee share options	<u>3,029</u>	<u>1,134</u>
	<u>\$ 1,241,826</u>	<u>\$ 1,209,690</u>

Under the Company Law, capital surplus can only be used to offset a deficit. However, the capital surplus from share issued in excess of par (including additional paid-in capital from issuance of ordinary shares, conversion of bonds and treasury share transactions), difference between the amount of actual disposal or acquisition of interests in subsidiary and carrying value, and donations may be used to offset a deficit, which is limited to a certain percentage of the Company's paid-in capital.

According to the amendment of the Company Law, the abovementioned capital surplus may be distributed in cash. Capital surplus arises from issuing employee share options and accounted for using the equity method may not be used for any other purpose other than offset a deficit. Such capital surplus arises from employee share options or employee share options from issuance of ordinary shares, which had been exercised, may be used to offset a deficit.

Resulting from the change in capital surplus from investments in subsidiaries and associates in 2022 and 2021, adjustments of \$399 thousand and \$252 thousand were made to the investment carrying value and capital surplus, respectively.

Retained Earnings (Accumulated Deficit) and Dividend Policy

- a. Under VIA's Articles of Incorporation, VIA should make appropriations from its net income in the following order:
 - 1) To pay taxes.
 - 2) To cover accumulated losses, if any.
 - 3) To appropriate 10% legal reserve unless the total legal reserve accumulated has already reached the amount of VIA's paid-in capital.
 - 4) To appropriate or reverse special reserve in accordance with the law and regulations.
 - 5) After withholding the amounts under the above item (1) to (4), then any remaining profit together with any undistributed retained earnings shall proposed by VIA's board of directors as the basis for the distribution plan, which should be resolved in the shareholders' meeting for distribution of dividends and bonus to shareholders.

- b. In order to consider the overall environment and long-term financial planning for sustainable and stable business development, VIA's dividend policy is mainly based on the future capital budget plan to measure capital needs and takes into account the interests of shareholders and other factors. VIA would distribute unappropriated earnings by cash dividends or share dividends, the amount should not be less than 10% of the after-tax earnings for the year. In addition, cash dividends should not be less than 10% of total dividends.

Under the Company's Articles, when the earnings distribution of dividends and bonuses, capital reserve or legal reserve are paid in whole or in part in the form of cash distribution, the board of directors is authorized to adopt a special resolution to distribute dividends and bonuses. Therefore, more than two-thirds of the directors shall be present, and with the consent of the majority of the directors who are present, shall report such distribution to the shareholders in their meeting.

For the policies on the distribution of employees' compensation and remuneration of directors and supervisors, refer to Note 23 (f).

Appropriation of earnings to legal reserve shall be made until the legal reserve equals the Company's paid-in capital. Legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

Under Rule No. 1010012865 (repealed from December 31, 2021), Rule No. 1010047490 (repealed from March 31, 2021), Rule No. 1030006415 (repealed from December 31, 2021), Rule No. 1090150022 and Rule No. 10901500221 issued by the FSC and the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs", the Company should appropriate or reverse to a special reserve. Any special reserve appropriated may be reversed to the extent that the net debit balance reverses and thereafter distributed.

The shareholders of the Company held an annual meeting on July 20, 2021 and in that meeting, resolved the amendments to the Company's Articles of Incorporation (the "Articles"). The amendments explicitly stipulate that a special reserve is appropriated for cumulative net debit balance reserves from prior period and cumulative net increases in fair value measurement of investment properties from prior period, and the sum of net profit for current period and items other than net profit that are included directly in the unappropriated earnings for current period is used if the prior unappropriated earnings is insufficient.

The appropriations of earnings for 2021 and 2020 respectively, which were resolved by the shareholders' meetings on June 17, 2022 and July 20, 2021 were as follows:

	2021	2020
Legal reserve	<u>\$ 394,847</u>	<u>\$ 354,878</u>
Special reserve	<u>\$ 314,356</u>	<u>\$ 595,929</u>
Cash dividends to shareholders	<u>\$ 495,350</u>	<u>\$ 395,517</u>
Cash dividends per share (NT\$)	\$ 1.00	\$ 0.80

The appropriations of earnings for 2022 will be resolved by the Company's board of directors and the shareholders in the shareholders' meeting. Refer to the Market Observation Post System on the website of the Taiwan Stock Exchange for the information on the resolution of earnings distribution.

Other Equity

Exchange differences on translating the financial statements of foreign operations

	For the Year Ended December 31	
	2022	2021
Balance at January 1	\$ (666,970)	\$ (360,861)
Recognized for the year		
Exchange differences arising from translating the foreign operations	933,524	(306,080)
Exchange differences arising from investment accounted for using the equity method	<u>32</u>	<u>(29)</u>
Balance at December 31	<u>\$ 266,586</u>	<u>\$ (666,970)</u>

Exchange differences relating to the translation of the results of operations and net assets of the Company's foreign operations from their functional currencies to the Company's presentation currency (New Taiwan dollars) were recognized directly in other comprehensive income and accumulated in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve were reclassified to profit or loss on the disposal of the foreign operation.

Unrealized gain (loss) on financial assets at FVTOCI

	For the Year Ended December 31	
	2022	2021
Balance at January 1	\$ (22,498)	\$ (9,848)
Recognized for the year		
Share of unrealized gain on equity instruments at FVTOCI of subsidiaries accounted for using the equity method	<u>(35,947)</u>	<u>(12,650)</u>
Balance at December 31	<u>\$ (58,445)</u>	<u>\$ (22,498)</u>

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

Unearned employee benefits

The associate accounted for using the equity method issued restricted shares, and the Company recognized unearned employee benefits in accordance with the percentage of ownership.

	For the Year Ended December 31, 2022
Balance at January 1	\$ -
The equity method is used to recognize the changes in the capital reserve of affiliated enterprises	<u>(1,043)</u>
Balance at December 31	<u>\$ (1,043)</u>

22. REVENUE

	For the Year Ended December 31	
	2022	2021
Revenue from the sale of goods	\$ 3,599,768	\$ 2,313,398
Revenue from the rendering of services	<u>298,807</u>	<u>265,779</u>
	<u>\$ 3,898,575</u>	<u>\$ 2,579,177</u>

23. NET PROFIT (LOSS) FROM CONTINUING OPERATIONS

a. Other income

	For the Year Ended December 31	
	2022	2021
Rental income		
Operating lease rental income		
Investment properties	\$ 31,935	\$ 33,062
Others	18,123	13,946
Dividend income	5,612	3,841
Subsidy income	7,958	1,447
Others (Note)	<u>35,968</u>	<u>267,081</u>
	<u>\$ 99,596</u>	<u>\$ 319,377</u>

Note: In November 2021, the Company assisted Centaur Technology, Inc. and Intel Corporation in talent acquisition and provided general management consulting services for the subsidiary. According to the agreement, the consulting income was recognized as other income.

b. Other gains and losses

	For the Year Ended December 31	
	2022	2021
Net gain (loss) of financial instruments	\$ (151,633)	\$ 367,873
Gain on disposal of property, plant and equipment	-	256
Net foreign exchange gains (losses)	43,995	(4,931)
Gain on disposal of intangible assets (Note 31)	-	128,437
(Loss) gain arising from the changes in fair value of investment properties (Note 13)	(27,341)	24,672
Reparation loss (Note 31)	-	(5,733)
Others	<u>228</u>	<u>436</u>
	<u>\$ (134,751)</u>	<u>\$ 511,010</u>

c. Finance costs

For the Year Ended December 31

	2022	2021
Interest on bank loans	\$ 55,931	\$ 42,989
Interest on lease liabilities	<u>316</u>	<u>207</u>
	<u>\$ 56,247</u>	<u>\$ 43,196</u>

d. Depreciation and amortization

For the Year Ended December 31

	2022	2021
Property, plant and equipment	\$ 25,434	\$ 25,072
Right-of-use assets	9,645	9,827
Intangible assets	<u>11,750</u>	<u>8,035</u>
	<u>\$ 46,829</u>	<u>\$ 42,934</u>

An analysis of depreciation by function

Operating costs	\$ 6,829	\$ 4,168
Operating expenses	<u>28,250</u>	<u>30,731</u>
	<u>\$ 35,079</u>	<u>\$ 34,899</u>

An analysis of amortization by function

Operating costs	\$ 81	\$ -
Operating expenses	<u>11,669</u>	<u>8,035</u>
	<u>\$ 11,750</u>	<u>\$ 8,035</u>

e. Employee benefits expense

For the Year Ended December 31

	2022	2021
Short-term benefits	\$ 707,444	\$ 896,579
Post-employment benefits (Note 20)		
Defined contribution plans	23,926	24,261
Defined benefit plans	<u>6,292</u>	<u>6,386</u>
	<u>30,218</u>	<u>30,647</u>
Share-based payment	<u>4,241</u>	<u>29,887</u>
Total employee benefits expense	<u>\$ 741,903</u>	<u>\$ 957,113</u>

An analysis of employee benefits expense by function

Operating costs	\$ 41,965	\$ 37,712
Selling and marketing expenses	49,061	50,640
General and administrative expenses	239,684	234,353
Research and development expenses	<u>411,193</u>	<u>634,408</u>
	<u>\$ 741,903</u>	<u>\$ 957,113</u>

f. Employees' compensation and remuneration of directors and supervisors

VIA stipulates to distribute compensation to employees and remuneration to directors and supervisors at rates no less than 5% and no higher than 1%, respectively, of net income offsetting the deficit and before tax. No compensation to employees and remuneration to directors and supervisors was recognized in 2022 due to loss before income tax. The compensation of employees and the remuneration of directors for the year ended December 31, 2022 and which were approved by the Company's board of directors on March 8, 2023 and March 8, 2022, are as follows:

Accrual rate

	For the Year Ended December 31, 2021
Compensation of employees	5.11%
Remuneration of directors	0.02%

Amount

	For the Year Ended December 31, 2021	
	Cash	Stock
Compensation of employees	\$ 220,000	\$ -
Remuneration of directors	1,000	-

If there is a change in the amounts after the annual financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

There was no difference between the amounts of the employees' compensation and the remuneration of directors approved by the board of directors and the amounts recognized in the financial statements for the year ended December 31, 2021.

Information on the compensation to employees and remuneration to directors and supervisors resolved by the board of directors in their meeting is available at the Market Observation Post System website of the Taiwan Stock Exchange.

g. Impairment losses

	For the Year Ended December 31	
	2022	2021
Inventories (included in operating costs)	<u>\$ 145,091</u>	<u>\$ 103,705</u>

24. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Income tax recognized in profit or loss

The major components of tax expense were as follows:

	For the Year Ended December 31	
	2022	2021
Current tax		
Income tax on unappropriated earnings	\$ 108,395	\$ 119,531
Deferred tax		
In respect of the current year	<u>(5,237)</u>	<u>4,993</u>
Income tax expense recognized in profit or loss	<u>\$ 103,158</u>	<u>\$ 124,524</u>

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

	For the Year Ended December 31	
	2022	2021
Profit before tax from continuing operations	<u>\$ 19,523</u>	<u>\$ 4,085,468</u>
Income tax expense calculated at the statutory rate (20%)	\$ 3,904	\$ 817,093
Tax-exempt income	(3,904)	(817,093)
Income tax on unappropriated earnings	108,395	119,531
Unrealized deductible temporary differences	<u>(5,237)</u>	<u>4,993</u>
Income tax expense recognized in profit or loss	<u>\$ 103,158</u>	<u>\$ 124,524</u>

b. Current tax assets

	December 31	
	2022	2021
Current tax assets		
Income tax refund receivable	<u>\$ -</u>	<u>\$ 26</u>
Current tax liabilities		
Income tax payable	<u>\$ 148,319</u>	<u>\$ 119,488</u>

c. Deferred tax liabilities

The movements of deferred tax liabilities were as follows:

For the year ended December 31, 2022

	Opening Balance	Recognized in Profit or Loss	Closing Balance
<u>Deferred tax liabilities</u>			
Temporary differences			
Investment properties	<u>\$ (142,230)</u>	<u>\$ 5,237</u>	<u>\$ (136,993)</u>

For the year ended December 31, 2021

	Opening Balance	Recognized in Profit or Loss	Closing Balance
<u>Deferred tax liabilities</u>			
Temporary differences			
Investment properties	<u>\$ (137,237)</u>	<u>\$ (4,993)</u>	<u>\$ (142,230)</u>
d. Unused loss carryforward			

The amounts of loss carryforward as of December 31, 2022 were as follows:

Expiry Year	Unused Amount
2023	\$ 2,240,956
2024	800,100
2025	712,061
2026	2,398,418
2027	1,455,602
2028	781,797
2029	1,566,363
2031	209,675
2032	<u>1,402</u>
	<u>\$ 10,166,374</u>

e. Income tax assessments

The Company's tax returns through 2020 have been assessed and approved by the tax authorities.

25. (LOSSES) EARNINGS PER SHARE

Unit: NT\$ Per Share

	<u>For the Year Ended December 31</u>	
	2022	2021
Basic (loss) earnings per share	<u>\$ (0.17)</u>	<u>\$ 8.01</u>
Diluted earnings per share		<u>\$ 7.84</u>

The (loss) earnings and weighted average number of ordinary shares outstanding for the computation of (loss) earnings per share were as follows:

Net (Loss) Profit for the Years

	<u>For the Year Ended December 31</u>	
	2022	2021
(Loss) profit for the year attributable to owners of the Company	<u>\$ (83,635)</u>	<u>\$ 3,960,944</u>

Shares

Unit: In Thousands of Shares

	For the Year Ended December 31	
	2022	2021
Weighted average number of ordinary shares used in computation of basic earnings per share	496,326	494,436
Effect of potentially dilutive ordinary shares		
Employee share options	-	5,046
Employees' compensation	<u>-</u>	<u>5,421</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>496,326</u>	<u>504,903</u>

26. SHARE-BASED PAYMENT ARRANGEMENTS

Employee Share Option Plan

Qualified employees of the Company and its subsidiaries were granted 5,000 thousand, 790 thousand and 4,210 thousand options in March 2020, October 2019 and November 2018, respectively. Each option entitles the holder to subscribe for one ordinary shares of the Company. The options granted are valid for 10 years and exercisable at certain percentages after the second anniversary from the grant date.

Years from the Grant Date	Accumulated Subscribed Percent
2	50%
3	75%
4	100%

The options were granted at an exercise price equal to the closing price of the Company's ordinary shares listed on the Taiwan Stock Exchange on the grant date. For any subsequent changes in the Company's capital, the exercise price is adjusted accordingly.

Information on employee share options was as follows:

	For the Year Ended December 31			
	2022		2021	
	Number of Options (In Thousands of Units)	Weighted- average Exercise Price (NT\$)	Number of Options (In Thousands of Units)	Weighted- average Exercise Price (NT\$)
Balance at January 1	7,889	\$ 21.20	9,244	\$ 22.00
Options granted	-	-	-	-
Options exercised	(2,183)	20.55	(1,255)	26.80
Options expired	<u>(230)</u>	22.31	<u>(100)</u>	24.90
Balance at December 31	<u>5,476</u>	20.91	<u>7,889</u>	21.20
Options exercisable, end of the year	<u>2,779</u>		<u>1,442</u>	

The weighted average exercised price of employee stock options exercised in 2022 and 2021 was \$20.55 and \$26.80, respectively.

Information on outstanding options is as follows:

	December 31	
	2022	2021
Range of exercise price (NT\$)	\$17.70-\$34.00	\$18.00-\$34.60
Weighted-average remaining contractual life (in years)	6.78	7.81

Options granted in March 2020 and October 2019, were priced using the Black-Scholes pricing model and options granted in November 2018 were priced using the Binomial option pricing model, and the inputs to the model are as follows:

	March 2020	October 2019	November 2018
Grant-date share price (NT\$)	\$18.00	\$34.60	\$24.90
Exercise price	\$18.00	\$34.60	\$24.90
Expected volatility	51.61%-53.28%	52.06%-53.01%	51.61%-53.28%
Expected life (in years)	6-7	6-7	6-7
Expected dividend yield	-	-	-
Risk-free interest rate	0.5122%-0.5162%	0.6395%-0.6603%	0.5122%-0.5162%

Note: The grant-date share prices were \$18.00, \$34.60 and \$24.90, respectively. The exercise prices were adjusted to \$17.70, \$34.00 and \$24.50, respectively, due to the payment of cash dividends in 2022.

Expected volatility was based on the average of annual standard deviation historical share price volatility over the past 6-10 years.

The Company recognized compensation cost of \$4,241 thousand and \$29,887 thousand for the years ended December 31, 2022 and 2021, respectively.

27. EQUITY TRANSACTION WITH THE SUBSIDIARY

The employees of VLI, the subsidiary of VIA, exercised share options in December 2022, which reduced the parent's interest in VLI from 57.11% to 56.49%. The changes in shares reduced capital surplus by \$14,040 thousand.

The above transactions were accounted for as equity transaction, since the Company did not lose control over the subsidiary. Change in percentage of ownership interests in the subsidiary decreased \$14,040 thousand and \$7,284 thousand, respectively, due to above transactions. Refer to Note 30 to the consolidated financial statements for the year ended December 31, 2022 for the details.

28. NON-CASH TRANSACTIONS

For the years ended December 31, 2022 and 2021, the Company entered into the following non-cash investing activities which were not reflected in the parent company only statements of cash flows:

- a. The Company's acquisition of property, plant and equipment in the amount of \$9,337 thousand and \$14,503 thousand were not yet paid as of December 31, 2022 and 2021, respectively.

- b. The Company's acquisition of intangible assets - computer software in the amount of \$5,840 thousand and \$12,882 thousand were not yet paid as of December 31, 2022 and 2021, respectively.

29. CAPITAL MANAGEMENT

The Company manages its capital to ensure it will be able to continue as going concerns while maximizing the return to stakeholders by optimizing the debt and equity balance. The Company's overall strategy remains unchanged from 2021.

The capital structure of the Company consists of net liabilities (borrowings minus cash and cash equivalents) and the equity of the Company (comprising issued capital, capital surplus, retained earnings and other equity).

The Company is not subject to any externally imposed capital requirements.

30. FINANCIAL INSTRUMENTS

Fair Value of Financial Instruments

- a. Financial instruments not measured at fair value

The management considers that the carrying amounts of financial assets and financial liabilities not measured at fair value were approximate amounts of their fair value or the fair value cannot be measured reliably.

- b. Fair value measurements recognized in the parent company only balance sheets

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic and overseas listed shares	\$ 379,440	\$ -	\$ -	\$ 379,440
Domestic and overseas unlisted stocks	-	-	36,360	36,360
Domestic private convertible bonds	-	-	210,585	210,585
	<u>\$ 379,440</u>	<u>\$ -</u>	<u>\$ 246,945</u>	<u>\$ 626,385</u>

(Continued)

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Financial liabilities held for trading				
Derivative financial liabilities (not under hedge accounting)				
Foreign exchange forward contracts	\$ -	\$ 1,861	\$ -	\$ 1,861 (Concluded)

December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic and overseas listed shares	\$ 536,323	\$ -	\$ -	\$ 536,323
Domestic and overseas unlisted stocks	-	-	40,462	40,462
Domestic private convertible bonds	-	-	199,955	199,955
	<u>\$ 536,323</u>	<u>\$ -</u>	<u>\$ 240,417</u>	<u>\$ 776,740</u>

There were no transfers between Levels 1 and 2 for the years ended December 31, 2022 and 2021.

c. Reconciliation of Level 3 fair value measurements of financial instruments

For the year ended December 31, 2022

Financial Assets	Financial Assets at FVTPL
Balance at January 1	\$ 240,417
Recognized in profit or loss (included in other gains and losses)	<u>6,528</u>
Balance at December 31	<u>\$ 246,945</u>

For the year ended December 31, 2021

Financial Assets	Financial Assets at FVTPL
Balance at January 1	\$ 36,502
Addition	200,000
Recognized in profit or loss (included in other gains and losses)	<u>3,915</u>
Balance at December 31	<u>\$ 240,417</u>

d. Valuation techniques and assumptions applied for the purpose of measuring fair value

The fair values of financial assets and financial liabilities were determined as follows:

- 1) The fair values of financial assets and financial liabilities with standard terms and conditions which are traded on active liquid markets are determined with reference to quoted market prices (includes listed corporate callable bonds, shares, draft, corporate bonds and bonds without maturity date). If such quoted prices are not available, valuation techniques are applied. The estimates and assumptions used by the Company are consistent with those that market participants would use in setting a price for the financial instrument;
- 2) The fair values of derivative instruments were calculated using quoted prices. If such quoted prices are not available, a discounted cash flow analysis was performed using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives. The estimates and assumptions used by the Company were consistent with those that market participants would use in setting a price for the financial instrument;
- 3) Valuation techniques and inputs applied for Level 2 fair value measurement

<u>Financial Instruments</u>	<u>Valuation Techniques and Inputs</u>
Derivatives - foreign exchange forward contracts	Foreign currency forward contracts were measured using quoted forward exchange rates and yield curves derived from quoted interest rates that match the maturities of the contracts.

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

<u>Financial Instruments</u>	<u>Valuation Techniques and Inputs</u>
Domestic and overseas unlisted shares Overseas beneficiary certificates	<p>Market approach:</p> <p>a) The fair value is measured by the share price and liquidity of similar listed company.</p> <p>b) The fair value is measured based on transaction price of similar listed company with an appropriate multiplier.</p> <p>Income approach: The fair value is measured by the capitalized or discounted projected income.</p>
Domestic private convertible bonds	Calculated by adding the conversion right to the value of the pure bond: The value of the pure bond is calculated by adding the interest compensation of the bond at the maturity date to the discounted value of the bond. In addition, the value of the conversion right is calculated based on the Black-Scholes-Merton option pricing model with the exercise price, the spot price of the conversion target, volatility rate, risk-free interest rate, cash dividend rate and duration as the evaluation parameters in the issuance method.

Investments in equity instruments are categorized within Level 3 of the fair value measurement hierarchy due to the lack of quoted prices in an active market; the fair values of financial assets categorized into Level 3 are based on valuations provided by market participants or quoted prices of the counterparty. Quantitative information is not disclosed since the relationship between significant unobservable inputs and the fair value cannot be fully controlled.

5) Valuation process for level 3 fair value measurement

The Company evaluates and confirms the reliability, independence and correspondence of the information sources of the estimated value. Appropriate adjustments are made to ensure the rationality of the valuation presented.

6) Sensitivity analysis of the fair value regarding reasonable and possible alternative assumption within Level 3

No sensitivity analysis using alternative assumptions is done since the valuation of the financial instruments did not adopt self-estimation model.

Categories of Financial Instruments

	<u>December 31</u>	
	2022	2021
<u>Financial assets</u>		
Financial assets at FVTPL	\$ 626,385	\$ 776,740
Financial assets at amortized cost (Note 1)	1,206,898	748,065
<u>Financial liabilities</u>		
Financial liabilities at FVTPL	1,861	-
Financial liabilities at amortized cost (Note 2)	5,135,500	4,876,981

Note 1: The balances included financial assets at amortized cost, which comprise cash and cash equivalents, accounts receivable (including related parties), other receivables, and refundable deposits.

Note 2: The balances included financial liabilities measured at amortized cost, which comprise notes and accounts payable (including related parties), other payables (including related parties), lease liabilities, long-term bills payable (including maturity in one year), long-term borrowings (including maturity in one year) and guarantee deposits received.

Financial Risk Management Objectives and Policies

The Company's financial instruments mainly include equity investments, accounts receivable, accounts payable, lease liabilities and long-term debt. The Company's Department of Finance and Accounting provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through analyzing the exposures by degree and magnitude of risks. These risks include market risk (including foreign exchange rate risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company sought to minimize the effects of these risks by using derivative financial instruments and non-derivative financial instruments to hedge risk exposures. The use of financial derivatives was governed by the Company's policies approved by the board of directors, which provide written principles on foreign exchange risk, interest risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity.

a. Market risk

The Company's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (1) below) and interest rates (see (2) below).

There has been no change to the Company's exposure to market risks or the manner in which these risks were managed and measured.

1) Foreign currency risk

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the year were set out in Note 35.

Sensitivity analysis

The Company was mainly exposed to the United States dollar (USD).

The following table shows the Company's sensitivity to a 2% increase and decrease in New Taiwan dollars (the functional currency) against the relevant foreign currencies. A 2% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items and foreign currency forward contracts, and adjusts their translation at the end of the reporting period for a 2% change in foreign currency rates.

	Currency USD impact	
	For the Year Ended December 31	
	2022	2021
Profit or loss	\$ 11,466	\$ 885
Equity	233,554	235,645

2) Interest rate risk

The carrying amounts of the Company's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows.

	December 31	
	2022	2021
Fair value interest rate risk		
Financial assets	\$ 149,775	\$ 22,605
Financial liabilities	17,856	10,787
Cash flow interest rate risk		
Financial liabilities	3,409,352	3,216,484

Sensitivity analysis

The sensitivity analyses below were determined based on the Company's exposure to interest rates for both derivative and non-derivative instruments at the end of the reporting period. The financial assets exposed into interest rate risk were mainly certificates of time deposits. Because the interest rate was determined when depositing, the financial assets abovementioned were not affected by interest rate risk and excluded from the sensitivity analysis. The interest rate of financial liabilities was determined when borrowing, the financial liabilities were not affected by interest rate risk and excluded from the sensitivity analysis. For the financial liabilities exposed into cash flow risk (with floating interest rate), the Company made the assumption that the financial liabilities were

outstanding during the reporting period. A 0.1% basis point increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 0.1% basis points higher/lower and all other variables were held constant, the Company's before-tax profit for the years ended December 31, 2022 and 2021 would have increased/decreased by \$3,409 thousand and \$3,216 thousand, respectively, which was mainly attributable to the Company's exposure to interest rates on its variable-rate bank borrowings.

3) Other price risk

The Company was exposed to equity price risk through its investments in listed equity securities and convertible bond. The equity investment is not held for trading but a strategic investment, and the Group does not aggressively trade such investments.

Sensitivity analysis

The sensitivity analyses below were determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 10% higher/lower, before-tax profit for the years ended December 31, 2022 and 2021 would have increased/decreased by \$62,639 thousand and \$77,674 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL.

b. Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. As at the end of the reporting period, the Company's maximum exposure to credit risk, which will cause a financial loss to the Company due to failure of counterparty to discharge an obligation and financial guarantees provided by the Company, could arise from:

- 1) The carrying amount of the respective recognized financial assets as stated in the balance sheets;
- 2) The amount of contingent liabilities in relation to financial guarantee issued by the Company.

The Company adopted a policy of dealing only with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Company uses other publicly available financial information and its own trading records to rate its major customers. The Company's exposure and the credit ratings of its counterparties are continuously monitored, and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

Accounts receivable from three largest customers amounted to \$133,752 thousand and \$140,460 thousand as of December 31, 2022 and 2021, respectively. The Company's concentration of credit risk of 86% and 69% in total accounts receivable as of December 31, 2022 and 2021, respectively, was related to the three largest customers in the Company.

c. Liquidity risk

The Company manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Company's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

1) Liquidity and interest risk rate tables for non-derivative financial liabilities

The following table detailed the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables had been drawn up based on the undiscounted cash flows of financial liabilities. The tables included both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount was derived from the interest rate curve at the end of the reporting period.

December 31, 2022

	Weighted Average Effective Interest Rate (%)	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	Total
<u>Non-derivative financial liabilities</u>						
Non-interest bearing	-	\$ 653,903	\$ 335,652	\$ 729,383	\$ 7,210	\$ 1,726,148
Lease liabilities	1.70	-	1,523	7,071	9,262	17,856
Variable interest rate liabilities	2.01	-	330,000	1,069,352	2,010,000	3,409,352
		<u>\$ 653,903</u>	<u>\$ 667,175</u>	<u>\$ 1,805,806</u>	<u>\$ 2,026,472</u>	<u>\$ 5,153,356</u>

December 31, 2021

	Weighted Average Effective Interest Rate (%)	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	Total
<u>Non-derivative financial liabilities</u>						
Non-interest bearing	-	\$ 438,642	\$ 461,840	\$ 753,258	\$ 6,757	\$ 1,660,497
Lease liabilities	1.70	330	1,530	5,132	3,795	10,787
Variable interest rate liabilities	1.46	460,000	-	490,000	2,266,484	3,216,484
		<u>\$ 898,972</u>	<u>\$ 463,370</u>	<u>\$ 1,248,390</u>	<u>\$ 2,277,036</u>	<u>\$ 4,887,768</u>

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities was subject to change if changes in variable interest rates differ from those interest rates determined at the end of the reporting period.

2) Financing facilities

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
Unsecured bank loan facility:		
Amount used	\$ 1,750,000	\$ 1,350,000
Amount unused	<u>450,000</u>	<u>-</u>
	<u>\$ 2,200,000</u>	<u>\$ 1,350,000</u>
Secured bank loan facility:		
Amount used	\$ 1,660,000	\$ 1,867,000
Amount unused	<u>1,120,000</u>	<u>853,000</u>
	<u>\$ 2,780,000</u>	<u>\$ 2,720,000</u>

31. RELATED-PARTY TRANSACTIONS

Details of transactions between the Company and other related parties were as follows:

- a. The names and relationships of related parties

<u>Related Party</u>	<u>Related Party Category</u>
Vate Technology Co., Ltd.	Subsidiary
VIA Labs, Inc.	Subsidiary
VIA Next Technologies Co., Ltd. (Note 2)	Subsidiary
VIA Technologies (Shenzhen) Co., Ltd.	Subsidiary
VIA Technologies, Inc.	Subsidiary
VIA CPU Platform Co., Ltd.	Subsidiary
VIA Technologies (China) Co., Ltd.	Subsidiary
VIA Technologies (Shanghai) Co., Ltd.	Subsidiary
VIA Technologies Japan K.K.	Subsidiary
Via Technologies (HK) Inc. Limited	Subsidiary
S3 Graphics Inc.	Subsidiary
VIA CPU Platform (HK) Limited	Subsidiary
VIA CPU Platform Trading (HK) Limited	Subsidiary
Centaur Technology, Inc.	Subsidiary
VIA Telecom Co., Ltd.	Associate
Catchplay Media Holdings Ltd.	Associate
VIA Alliance Technology, Inc.	Other related party/associate
Shanghai Zhaoxin Semiconductor Co., Ltd. (Note 1)	Other related party/associate
Fortune Core Technology Co., Ltd. (Note 1)	Other related party
Chander Electronics Corp.	Other related party
HTC Corporation	Other related party
Dopod International Corp.	Other related party
Xander International Corp.	Other related party
Chinese Christian Faith and Love Foundation	Other related party
Way Lien Technology Inc.	Other related party
HTC Communication Co., Ltd.	Other related party
Prime Technology (Guangzhou) Co., Ltd.	Other related party
First International Computer, Inc.	Other related party
AREX (TWN) International Co., Ltd.	Other related party
Canaan Company	Other related party
Chinese Human Resources Institute of Social Technology Inc.	Other related party
Chiuan-En Foundation	Other related party
FHL Creative Ltd.	Other related party
TVBS Media Inc.	Other related party

Note 1: The Company accounted for the remaining interest of Shanghai Zhaoxin Semiconductor Co., Ltd. as financial assets at FVTPL instead of using the equity method in March 2021 since it ceased to have significant influence over it. Fortune Core Technology Co., Ltd. and VIA Alliance Technology, Inc. are direct and indirect 100% subsidiaries of Shanghai Zhaoxin Semiconductor Co., Ltd. Starting from March 2021, the abovementioned companies were changed from associate to related party in substance.

Note 2: The Company had organizational restructuring and transferred all shares of VIA CPU Platform (Taiwan) Co., Ltd. held by VIA CPU Platform Co., Ltd to VIA in July 2021. Starting from July 2021, the relationship between the Company and the abovementioned companies has been changed from an indirect subsidiary to direct subsidiary. VIA CPU Platform (Taiwan) Co., Ltd. was renamed as VIA Next Technologies, Inc. in August 2021.

b. Operating transactions

	For the Year Ended December 31	
	2022	2021
<u>Sales</u>		
Subsidiaries		
VIA Technologies, Inc.	\$ 430,716	\$ 272,648
Others	35,030	69,205
Associates		
Shanghai Zhaoxin Semiconductor Co., Ltd.	-	265,220
Other related parties		
Shanghai Zhaoxin Semiconductor Co., Ltd.	1,713,696	1,051,258
Others	<u>573</u>	<u>152</u>
	<u>\$ 2,180,015</u>	<u>\$ 1,658,483</u>

Selling prices to related parties are similar with other regular sales except for some kinds of merchandise that have no comparison and some other related parties whose prices are less than normal due to greater sales volume. Terms of credit for both related and unrelated parties are similar except for some other related parties that adopted the offset of credits and debits of property.

	For the Year Ended December 31	
	2022	2021
<u>Other operating income</u>		
Subsidiaries		
VIA Next Technologies Co., Ltd.	\$ 59,424	\$ 23,054
VIA Technologies, Inc.	44,312	13,762
Others	19,304	10,315
Other related parties		
Shanghai Zhaoxin Semiconductor Co., Ltd.	175,796	213,586
Others	<u>4,600</u>	<u>-</u>
	<u>\$ 303,436</u>	<u>\$ 260,717</u>

The Company entered into technical support and supervision agreements with related parties and recognized service income according to agreements.

	For the Year Ended December 31	
	2022	2021
<u>Purchase</u>		
Subsidiaries		
	\$ 159,516	\$ 131,293
Associates		
	-	2,917
Other related parties		
	<u>82,401</u>	<u>88,551</u>
	<u>\$ 241,917</u>	<u>\$ 222,761</u>

Terms of purchasing prices and payment for both related and unrelated parties are similar.

The following balances of accounts receivable from related parties were outstanding at the end of the reporting period:

	December 31	
	2022	2021
Subsidiaries		
VIA Technologies, Inc.	\$ 101,243	\$ 46,443
VIA Next Technologies Co., Ltd.	9,530	74,158
Others	<u>2,562</u>	<u>1,665</u>
	<u>\$ 113,335</u>	<u>\$ 122,266</u>

The amount of accounts receivable listed above is the total amount of accounts receivable without deducting allowance for loss.

The following balances of accounts payable to related parties were outstanding at the end of the reporting period:

	December 31	
	2022	2021
Subsidiaries	\$ 33,603	\$ 46,337
Other related parties	<u>32,920</u>	<u>33,054</u>
	<u>\$ 66,523</u>	<u>\$ 79,391</u>

The outstanding accounts payable to related parties are unsecured and will be settled in cash. The outstanding accounts receivable from related parties are unsecured.

c. Compensation of key management personnel

	For the Year Ended December 31	
	2022	2021
Short-term benefits	\$ 41,723	\$ 62,010
Share-based payment	2,139	4,822
Post-employment benefits	677	855
Other benefits	<u>240</u>	<u>240</u>
	<u>\$ 44,779</u>	<u>\$ 67,927</u>

The remuneration of directors and key executives, as determined by the remuneration committee, was based on the performance of individuals and market trends.

d. Other transactions with related parties

1) Lease items - rental income

	For the Year Ended December 31	
	2022	2021
Subsidiaries		
VIA Next Technologies Co., Ltd.	\$ 27,643	\$ 30,385
VIA Labs, Inc.	14,715	12,313
Others	3,653	1,505
Other related parties	<u>2,393</u>	<u>2,297</u>
	<u>\$ 48,404</u>	<u>\$ 46,500</u>

The Company rented out part of its land and building and improvements to the related parties. Rental prices were determined based on the prevailing rates in the surrounding area.

2) Other income

	For the Year Ended December 31	
	2022	2021
Subsidiaries		
Centaur Technology, Inc.	\$ -	\$ 242,419
Others	12,565	15,117
Associates	600	2,204
Other related parties	<u>2,200</u>	<u>2,190</u>
	<u>\$ 15,365</u>	<u>\$ 261,930</u>

The Company has entered into management support and supervision agreements. The support revenue accounted for based on these agreements were recognized as other income, others were miscellaneous and samples revenue.

3) Other receivables

	December 31	
	2022	2021
Subsidiaries		
VIA Labs, Inc.	\$ 1,509	\$ 3,888
VIA Next Technologies Co., Ltd.	33,598	9,997
Other related parties		
Shanghai Zhaoxin Semiconductor Co., Ltd.	1	2,392
Others	<u>78</u>	<u>2,019</u>
	<u>\$ 35,186</u>	<u>\$ 18,296</u>

4) Other payables

	December 31	
	2022	2021
Subsidiaries	\$ 765	\$ 362
Other related parties	<u>461</u>	<u>2,018</u>
	<u>\$ 1,226</u>	<u>\$ 2,380</u>

5) Guarantee deposit

	December 31	
	2022	2021
Subsidiaries		
VIA Next Technologies Co., Ltd.	\$ 4,980	\$ 4,980
Others	655	632
Other related parties	<u>77</u>	<u>164</u>
	<u>\$ 5,712</u>	<u>\$ 5,776</u>

6) Research expenses

	For the Year Ended December 31	
	2022	2021
Subsidiaries	\$ 1,016	\$ 304
Other related parties	<u>5,746</u>	<u>1,775</u>
	<u>\$ 6,762</u>	<u>\$ 2,079</u>

7) Advertisement expenses

	For the Year Ended December 31	
	2022	2021
Subsidiaries	<u>\$ 2,294</u>	<u>\$ 1,665</u>

8) Advance receipts

	For the Year Ended December 31	
	2022	2021
Subsidiaries	\$ 49	\$ 53
Other related parties		
Shanghai Zhaoxin Semiconductor Co., Ltd.	347,927	95,851
Others	<u>24</u>	<u>24</u>
	<u>\$ 348,000</u>	<u>\$ 95,928</u>

The Company's advance receipts mainly refer to the advance receipt of technical service income and advance receipt of goods from the abovementioned related parties.

9) Property transactions

For business cooperation and development, the board of directors of VIA on October 26, 2020 approved that VIA sold intellectual property rights (excluding patent rights) of chipsets to Shanghai Zhaoxin Semiconductor Co., Ltd., the amount was \$870,761 (US\$30,574 thousand) which was determined based on the evaluation report issued by Taiwan Enterprise Asset Appraisal Consulting Co., Ltd., and was reviewed by the accountant JUAN, CHIUNG-HUA, of YuanHe Certified Public Accountants with reasonableness opinion. As the Company has a significant influence on Shanghai Zhaoxin Semiconductor Co., Ltd., the unrealized gain of \$128,437 thousand (US\$4,510 thousand) would be eliminated in accordance with the 14.75% of ownership and recognized as deduction of investments accounted for using the equity method. In the first quarter of 2021, the Company ceased to have significant influence over Shanghai Zhaoxin Semiconductor Co., Ltd. and recognized the remaining unrealized gain as gain on disposal of intangible assets. The amount was received until September 30, 2021.

32. ASSETS PLEDGED AS COLLATERAL

The following assets were provided as collateral for bank borrowings and court as follows:

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
Property, plant and equipment, net	\$ 659,097	\$ 663,000
Investment properties	<u>1,176,107</u>	<u>1,202,804</u>
	<u>\$ 1,835,204</u>	<u>\$ 1,865,804</u>

33. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

Significant Commitments

- a. As of December 31, 2022, the amount of customs duties confirmed by banks for importing goods was \$3,000 thousand.
- b. Refer to Table of Note 36 for endorsements/guarantees provided.

34. OTHERS

Significant Contracts

<u>Contractor</u>	<u>Item</u>	<u>Contract Period</u>	<u>Description</u>	<u>Restrictions</u>
Intel	Patent agreement	From April 8, 2003, remains in effect	a. CPU and chipsets patent agreement. b. The Company shall pay the fees according to the agreement signed between the two parties.	None

Covid-19

Due to the impact of the COVID-19 pandemic, some of the Company's clients have implemented quarantine and travel restrictions. The Company is continuously assessing the impact of the epidemic and will adjust its operating strategies accordingly. Except for the above, the epidemic did not have any material impact on the Company's financial position and financial performance as of the date the financial statements were authorized for issue.

35. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Company's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies and the related exchange rates between foreign currencies and respective functional currencies were as follows:

December 31, 2022

	Foreign Currency	Exchange Rate
<u>Financial assets</u>		
Monetary items		
USD	\$ 31,966	30.71
RMB	1,544	4.41
Investments accounted for using the equity method		
USD	380,257	30.71
<u>Financial liabilities</u>		
Monetary items		
USD	20,797	30.71
RMB	-	4.41
HKD	63	3.94
Non-monetary items		
USD (derivative financial instruments)	7,500	30.71

December 31, 2021

	Foreign Currency	Exchange Rate
<u>Financial assets</u>		
Monetary items		
USD	\$ 19,770	27.68
RMB	1,549	4.34
Investments accounted for using the equity method		
USD	425,660	27.68
<u>Financial liabilities</u>		
Monetary items		
USD	18,171	27.68
RMB	18	4.34
HKD	32	3.55

The foreign currency exchange gains (loss) (including realized and unrealized) of the Company for the years ended December 31, 2022 and 2021 were \$43,995 thousand and \$(4,931) thousand, respectively. Due to the wide variety of foreign currency transactions and the functional currencies of the Company, it is impossible to disclose all the significant net foreign exchange gain (loss).

36. SEPARATELY DISCLOSED ITEMS

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

- 1) Financing provided to others (Table 1)
- 2) Endorsements/guarantees provided (Table 2)
- 3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (Table 3)
- 4) Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital (Table 4)
- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital (None)
- 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital (None)
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 5)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 6)
- 9) Trading in derivative instruments (Note 7)
- 10) Intercompany relationships and significant intercompany transactions (Table 7)

c. Information on investments in mainland China

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the year, repatriations of investment income, and limit on the amount of investment in the mainland China area (Table 8)
- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses (Table 8):
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the year
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year
 - c) The amount of property transactions and the amount of the resultant gains or losses

- d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes
 - e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds
 - f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services
- d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 9)

37. SEGMENT INFORMATION

Refer to the consolidated financial statements for the year ended December 31, 2022.

TABLE 1

VIA TECHNOLOGIES, INC.

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2022

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period (Note 1)	Ending Balance (Note 1)	Actual Amount Borrowed (Note 1)	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 2)	Aggregate Financing Limit (Note 2)	Note
													Item	Value			
1	VIA Technologies, Inc. (USA)	VIATECH CO., LTD.	Other receivables	Yes	\$ - 243,313 (US\$ 8,500)	\$ - (US\$ -)	\$ - (US\$ -)	-	Short-term financing	\$ -	Operating capital	\$ -	None	None	\$ 370,227	\$ 740,453	

Note 1: The ending balance was based on the exchange rate of the closing price at the end of the period (December 31, 2022).

Note 2: The Company indirectly held 100% of the voting shares of VIA Technologies, Inc., which is a foreign company. The financing limit of financing provided by VIA Technologies, Inc. for each borrower is 50% of the lender's net asset value on its current financial statements. The aggregate financing limit is 100% of the lender's net asset value on its current financial statements.

VIA TECHNOLOGIES, INC.

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Endorser/Guarantor	Endorsee/Guaranteee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Note 3)	Maximum Amount Endorsed/ Guaranteed During the Period (Note 4)	Outstanding Endorsement/ Guarantee at the End of the Period (Note 5)	Actual Amount Borrowed (Note 6)	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 3)	Endorsement/ Guarantee Given by Parent Subsidiaries (Note 7)	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent (Note 7)	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China (Note 7)	Note
		Name	Relationship (Note 2)											
0	VIA Technologies, Inc.	VIA Next Technologies, Inc.	b	\$ 2,599,983	\$ 120,000	\$ 120,000	\$ 56,330	\$ -	0.92	\$ 6,499,959	Y	N	N	Note 8

Note 1: The description of the code column is as follows:

- The Company is coded "0".
- The investees are coded sequentially beginning from "1" by each individual company.

Note 2: There are 7 types of relationships between the endorser/guarantor and the endorsed/guaranteed party as follows, just indicate the type:

- Companies with business dealings.
- A company in which the Company directly or indirectly holds more than 50% of the voting shares.
- A company directly or indirectly holds more than 50% of the voting shares of the Company.
- A company in which the Company directly or indirectly holds more than 50% of the voting shares.
- Companies that provide mutual insurance for those of the same industry or as co-builders in accordance with contractual provisions based on the needs for construction project contracts.
- A company that is endorsed and guaranteed by all shareholders of the Company based on their ownership percentage due to a joint investment relationship.
- The companies that are engaged in joint and several guarantees for the performance of a pre-sale property contract in accordance with the Consumer Protection Act.

Note 3: Fill in limit on endorsements/guarantees provided for a single party and ceiling on total amount of endorsements/guarantees provided as prescribed in the endorser/guarantor company's "Procedures for Provision of Endorsements and Guarantees", and state each individual party to which the endorsements/guarantees have been provided and the calculation of the ceiling on total amount of endorsements/guarantees provided in the footnote.

Note 4: The maximum balance of the endorsement/guarantee provided to others in the current year.

Note 5: The amount approved by the board of directors shall be entered. However, it refers to the amount approved by the chairman if the board of directors authorizes the chairman to make a decision in accordance with Subparagraph 8, Article 12 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies.

Note 6: The actual drawdown amount by the endorsed/guaranteed company within the range of the endorsement/guarantee balance shall be entered.

Note 7: "Y" shall only be entered for those that belong to endorsement/guarantee from publicly listed parent company to subsidiary, from subsidiary to publicly listed parent company, or to entity in mainland China.

Note 8: The limit of the endorsement/guarantee for a single enterprise shall not exceed 20% of the net value of the most recent financial statements; the maximum limit of the endorsement/guarantee shall not exceed 50% of the net value of the most recent financial statements.

TABLE 3

VIA TECHNOLOGIES, INC.

MARKETABLE SECURITIES HELD

DECEMBER 31, 2022

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	Balance as of December 31, 2022			Note
				Number of Shares (In Thousands)	Carrying Amount	Percentage of Ownership (%)	
VIA Technologies, Inc.	Listed company HTC Corporation	The chairman of the company and the chairman of the Company are spouse	Financial assets at fair value through profit or loss - current	3,751	\$ 208,928	0.45	\$ 208,928
	Xander International Corp. First International Computer, Inc.	Same board chairman The chairman of the company and the chairman of the Company are second-degree relatives	" "	4,559 8	167,766 312	5.02 -	167,766 312
	Star Comgistic Capital Co., Ltd. IQE PLC	None "	" "	86 6	2,322 112	0.11 -	2,322 112
	Unlisted company Openfind Information Technology Inc.	None	Financial assets at fair value through profit or loss - non-current	863	31,281	6.72	31,281
	Strawberry Software Inc. Digitimes Inc.	" "	" "	40 158	87 2,647	3.97 0.80	87 2,647
	Techgains Pan Pacific Corp. United Communication (Holdings) Corporation	" "	" "	500 4	2,345 -	1.47 8.00	2,345 -
	<u>Convertible bonds</u> Ennocom Corporation	None	Financial assets at fair value through profit or loss - non-current	2	210,585	-	210,585
VIA Labs, Inc.	Unlisted company KikaGo Limited	None	Financial assets at fair value through other comprehensive income - non-current	2	-	19.05	-
	EverPro Technologies Co., Ltd.	None	Financial assets at fair value through profit or loss - non-current	4,528	57,153	2.28	57,153

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	Balance as of December 31, 2022				Note
				Number of Shares (In Thousands)	Carrying Amount	Percentage of Ownership (%)	Fair Value	
	Beneficiary certificates Ally Bridge Group-WTT Global Science Capital Partners, L.P.	Life None	Financial assets at fair value through other comprehensive income - non-current	-	\$ 271,878	1.27	\$ 271,878	
	Ally Bridge Group-CMRCO, L.P.	"	"	-	116,381	11.39	116,381	
	SMART Growth Fund, L.P.	"	"	-	208,879	1.73	208,879	
	10D Fund II L.P.	"	"	-	5,420	1.09	5,420	
	10D Opportunity Fund I L.P.	"	"	-	5,404	6.52	5,404	
	ACHI Capital Partners Fund L.P.	"	"	-	30,832	5.33	30,832	
	Convertible bonds Ennocom Corporation	None	Financial assets at fair value through profit or loss - non-current	1	105,293	-	105,293	
VIABASE CO., LTD.	Unlisted company 3 CEMS Corp.	The chairman of the company and the chairman of the Company are second-degree relatives	Financial assets at fair value through other comprehensive income - non-current	9,585	43,512	1.00	43,512	
	MEDIS MEDIA PTY LTD.	The chairman of the company and the chairman of the Company are third-degree relatives	"	2	10,484	14.29	10,484	
	Beneficiary certificates ACHI Capital Partners Fund L.P.	None	Financial assets at fair value through other comprehensive income - non-current	-	72,059	8.95	72,059	
TUNGBASE TECHNOLOGIES LTD.	Unlisted company IPILOT INCORPORATED	None	Financial assets at fair value through profit or loss - non-current	750	-	8.95	-	
VIATECH CO., LTD.	Listed company Ezconn Corporation	None	Financial assets at fair value through profit or loss - current	60	2,767	0.09	2,767	
	Unlisted company EGTRAN	None	Financial assets at fair value through profit or loss - non-current	97	-	0.12	-	
	WEVR, INC.	"	Financial assets at fair value through other comprehensive income - non-current	2,901	121,594	9.01	121,594	
	Beneficiary certificates Ally Bridge Group-CMRCO, L.P.	None	Financial assets at fair value through other comprehensive income - non-current	-	129,358	12.66	129,358	
	10D Fund II L.P.	"	"	-	11,056	1.63	11,056	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	Balance as of December 31, 2022			Note
				Number of Shares (In Thousands)	Carrying Amount	Percentage of Ownership (%)	
	10D Opportunity Fund I LP.	None	Financial assets at fair value through other comprehensive income - non-current	-	\$ 9,213	9.94	\$ 9,213
	Section 32 Fund 5, L.P.	"	"	-	5,297	3.50	5,297
Vate Technology Co., Ltd.	Unlisted company SITEC SEMICONDUCTOR LIMITED	None	Financial assets at fair value through other comprehensive income - non-current	130,341	31,200	7.75	31,200
VIA Technologies (HK) Inc. Ltd.	Unlisted company EverPro Technologies Co., Ltd.	None	Financial assets at fair value through profit or loss - non-current	8,164	103,060	4.11	103,060
	Shanghai Zhaoxin Semiconductor Co., Ltd.	The Company is a director of the company	"	-	686,151	4.04	686,151
VIA Technologies (Shanghai) Co., Ltd.	Unlisted company EverPro Technologies Co., Ltd.	None	Financial assets at fair value through profit or loss - non-current	1,240	15,648	0.62	15,648
	Shanghai Zhaoxin Semiconductor Co., Ltd.	The Company is a director of the company	"	-	365,999	2.24	365,999
VIA Technologies (China) Co., Ltd.	Unlisted company Shanghai Zhaoxin Semiconductor Co., Ltd.	The Company is a director of the company	Financial assets at fair value through profit or loss - non-current	-	171,888	1.05	171,888
	Shenghai Zhixin (Xiamen) Intelligent Technology Co., Ltd.	"	"	-	306	10.00	306
VIA Technologies (Shenzhen) Co, Ltd.	Unlisted company Shanghai Zhaoxin Semiconductor Co., Ltd.	The Company is a director of the company	Financial assets at fair value through profit or loss - non-current	-	17,433	0.11	17,433

Note: Shanghai Zhaoxin Semiconductor Co., Ltd. raised additional capital and reelected directors and supervisors in the first quarter of 2021; hence, the Company ceased to have significant influence over it and the remaining interest was accounted for as financial assets at FVTPL instead of using the equity method for the company.

(Concluded)

TABLE 4

VIA TECHNOLOGIES, INC.

MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL FOR THE YEAR ENDED DECEMBER 31, 2022

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal		Ending Balance	
					Number of Shares	Amount	Number of Shares (In Thousands)	Amount	Number of Shares (In Thousands)	Amount	Number of Shares (In Thousands)	Amount
VIABASE CO., LTD.	VIA CPU Platform Co., Ltd.	Investments accounted for using the equity method	VIA CPU Platform Co., Ltd.	Subsidiary	47,993	\$ 3,235,161	14,110	\$ 433,318	-	\$ -	62,103	\$ 3,474,061
VIA CPU Platform Co., Ltd.	VIA CPU Platform (HK) Limited	"	VIA CPU Platform (HK) Limited	Subsidiary	166,194	18,234	110,397	423,163	-	-	276,591	(143,245)

VIA TECHNOLOGIES, INC.

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Related Party	Relationship	Transaction Details			Abnormal Transaction			Notes/Accounts Receivable (Payable)		Note
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
VIA Technologies, Inc.	Shanghai Zhaoxin Semiconductor Co., Ltd.	Substantive related party	Sales	\$ (1,713,696)	(48)	2-3 months	Similar to non-related party transaction.	Same as general customers	\$ -	-	
	Shanghai Zhaoxin Semiconductor Co., Ltd.	Substantive related party	Service revenue	(175,796)	(59)	2-3 months	"	Same as general customers	-	-	
VIA Next Technologies, Inc.	Shanghai Zhaoxin Semiconductor Co., Ltd.	Substantive related party	Service revenue	(577,851)	(31)	2-3 months	"	Same as general customers	-	-	
VIA Technologies, Inc.	VIA Technologies, Inc. (USA)	Subsidiary	Sales	(430,716)	(12)	2-3 months	The sales volume is large, and its price is lower than usual	Same as general customers	101,243	65	
VIA Technologies, Inc. (USA)	VIA Technologies, Inc.	Parent	Purchase	430,716	100	2-3 months	The purchase volume is large, and the price is lower than the general	Same as general vendors	(101,243)	(99)	
VIA Technologies (Shenzhen) Co, Ltd.	VIA CPU PLATFORM (HK) LIMITED	Sister	Service revenue	(190,931)	(97)	2-3 months	Similar to non-related party transaction.	Same as general customers	68,224	56	
VIA CPU PLATFORM (HK) LIMITED	VIA Technologies (Shenzhen) Co, Ltd.	Sister	Research expense	190,931	33	2-3 months	"	Same as general vendors	(68,224)	(47)	
VIA Technologies (Shanghai) Co, Ltd.	VIA CPU PLATFORM (HK) LIMITED	Sister	Service revenue	(172,356)	(100)	2-3 months	"	Same as general customers	-	-	
VIA CPU PLATFORM (HK) LIMITED	VIA Technologies (Shanghai) Co, Ltd.	Sister	Research expense	172,356	30	2-3 months	"	Same as general vendors	-	-	
VIA Technologies (China) Co, Ltd.	VIA CPU PLATFORM (HK) LIMITED	Sister	Service revenue	(146,687)	(88)	2-3 months	"	Same as general customers	55,892	72	
VIA CPU PLATFORM (HK) LIMITED	VIA Technologies (China) Co, Ltd.	Sister	Research expense	146,687	25	2-3 months	"	Same as general vendors	(55,892)	(38)	

TABLE 6

VIA TECHNOLOGIES, INC.

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL

FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Ending Balance (Note 1)	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
VIA Technologies, Inc.	VIA Technologies, Inc.	Subsidiary	\$ 101,243	5.83	\$ -	Strengthen collection	\$ 101,243	\$ -

TABLE 7

VIA TECHNOLOGIES, INC.

INFORMATION ON INVESTEEES
FOR THE YEAR ENDED DECEMBER 31, 2022

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2022			Net Loss of the Investee	Investment Loss Recognized	Share of Profit (Loss)		Note
				Ending Balance	Beginning Balance	Shares (In Thousands)	Percentage of Ownership (%)	Carrying Value			Cash Dividend	Share Dividend	
VIA Technologies, Inc.	VIA TECH CO., LTD.	3rd Floor, J & C Building, P.O. Box 362, Road Town, Tortola, British Virgin Islands	International Investment	\$ 2,166,502	\$ 2,166,502	70,202	100.00	\$ 4,506,884	\$ 159,810	\$ 854,400	\$ -	Note 1	
	VIABASE CO., LTD.	3rd Floor, J & C Building, P.O. Box 362, Road Town, Tortola, British Virgin Islands	International Investment	3,632,284	3,632,284	115,383	100.00	7,170,800	(317,685)	-	-	Note 2	
	TUNGBASE TECHNOLOGIES LTD.	3rd Floor, J & C Building, P.O. Box 362, Road Town, Tortola, British Virgin Islands	International Investment	41,570	41,570	1,080	100.00	-	-	-	-	-	
	Wei-Hon Co. Ltd.	8th Floor, No. 533, Zhongzheng Road, Xindian District, New Taipei City	Manufacturing and selling of electronic parts and information software	10,000	10,000	1,000	100.00	10,856	48	-	-	-	
	VIA Next Technologies, Inc.	10th Floor, No. 533, Zhongzheng Road, Xindian District, New Taipei City	Manufacturing and selling of electronic parts and information software	134,560	134,560	500	100.00	23,502 (Note 4)	199,182	-	-	Note 4	
	Vate Technology Co., Ltd.	No. 9, Lixing 5th Road, Science Industrial Park, Hsinchu City	Integrated circuits chip testing and packaging services	493,031	493,031	52,656	66.28	339,708	(11,920)	-	-	Note 5	
	VIA Labs, Inc.	7th Floor, No. 529, Zhongzheng Road, Xindian District, New Taipei City	Manufacturing and selling of electronic parts and information software	136,084	136,084	38,843	56.49	1,686,821	413,836	426,743	-	Note 3	
	VIA Intelligent Automotive, Inc.	8th Floor, No. 525, Zhongzheng Road, Xindian District, New Taipei City	Manufacturing and selling of electronic parts	2,600	2,600	260	100.00	2,462	(3)	-	-	-	
	iDOT Computers, Inc.	7th Floor, No. 493, Zhongzheng Road, Xindian District, New Taipei City	Manufacturing electronic parts	55,000	55,000	5,500	22.82	(Note 6)	-	-	-	-	
	Intumit Inc.	4th Floor 3, No. 293, Section 1, Beixin Road, Xindian District, New Taipei City	Manufacturing electronic parts and information software processing services	24,000	24,000	1,200	4.69	20,954	844	720	-	-	
	HLJ technology Co., Ltd.	No. 2, Guangfu South Road, Hukou Township, Hsinchu County	Manufacturing and selling of electronic parts and information software processing services	165,760	-	11,200	12.08	152,513	(249,960)	-	-	-	
VIABASE CO., LTD.	IP-FIRST LLC.	15 East North Street, Dover, Kent County, Delaware 19901, USA	Designing and manufacturing of CPU and licensing of microprocessor-related intellectual property	391,271	391,271	-	100.00	-	-	-	-	-	
	VIA TELECOM CO., LTD.	P.O. Box 709 George Town Grand Cayman	1. Wireless communications	7,496	7,496	1	48.94	67,688	1,468	40,787	-	-	
	Catchplay Media Holdings Ltd.	P.O. Box 897 George Town Grand Cayman	2. International investment	39,720	39,720	2,000	3.40	(Note 6)	-	-	-	-	
	VIA USA, INC.	C/O pachulski, stang Ziehl Young & Jones P.C. 10100 Santa Monica boulevard, Suite 1100, Los Angeles CA 90067	International Investment	4,311,593	4,311,593	-	100.00	757,847	71,236	-	-	-	
	VIA TECHNOLOGIES JAPAN K.K.	15-7, Higashi 3-chome, Shibuya-ku, Tokyo	International Investment	6,386	6,386	1	100.00	12,730	91	-	-	-	
	SURE VICTORY INVESTMENT LTD.	3rd Floor, J & C Building, P.O. Box 362, Road Town, Tortola, British Virgin Islands	Manufacturing, researching, developing and selling of integrated circuits and other semiconductor devices.	13	13	-	41.00	-	85	-	-	35	
	T. C. Connection Corporation	3rd Floor, J & C Building, P.O. Box 362, Road Town, Tortola, British Virgin Islands	International Investment	2,370	2,370	5,000	100.00	-	-	-	-	-	
	TECHBASE CO., LTD.	Windward 1, Regatta Office Park, PO Box 897, Grand Cayman KY1-1103, Cayman Islands	International Investment	328,011	324,210	11,520	100.00	486,020	64,863	-	-	64,863	
	VIA CPU PLATFORM CO., LTD.	3rd Floor, J & C Building, P.O. Box 362, Road Town, Tortola, British Virgin Islands	1. International investment 2. Selling of PC chipset	1,891,075	1,457,757	62,103	100.00	3,474,061	(532,391)	-	-	(532,391)	

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2022			Net Loss of the Investee	Investment Loss Recognized	Share of Profit (Loss)		Note
				Ending Balance	Beginning Balance	Shares (In Thousands)	Percentage of Ownership (%)	Carrying Value			Cash Dividend	Share Dividend	
VIA CPU PLATFORM CO., LTD.	CENTAUR TECHNOLOGY, INC. VIA CPU PLATFORM (HK) LIMITED	7600N, Capital of TX Hwy., Bldg C, Suite 300, Austin, TX 78731	Designing, manufacturing and selling of CPU	\$ 1,026,428	\$ 1,026,428	-	100.00	\$ 3,606,683	\$ 47,051	\$ 47,051	\$ -	-	
		Room 3602, Level 36, Tower 1, Enterprise Square Five, 38 Wang Chiu Road, Kowloon Bay, Kowloon, Hong Kong	Contract technical service support of CPU	1,019,401	596,238	276,591	100.00	(143,245) (Note 7)	(579,207)	(579,207)	-	-	
	VIA CPU PLATFORM TRADING (HK) LIMITED	Room 3602, Level 36, Tower 1, Enterprise Square Five, 38 Wang Chiu Road, Kowloon Bay, Kowloon, Hong Kong	Selling and manufacturing of CPU	37	37	10	100.00	8,105	(104)	(104)	-	-	
VIA USA, INC.	VIA Technologies, Inc. (USA) VIA-CYRIX, INC.	940 Mission Court Fremont, CA 94539 2532 Summit Avenue, Suite 406, Plano, TX 75074	Selling and designing of PC chipset	134,145	134,145	130	100.00	740,453	70,963	70,963	-	-	
		940 Mission Court Fremont, CA 94539	Designing, manufacturing and selling of CPU	1,351,734	1,351,734	-	100.00	(165) (Note 7)	(97)	(97)	-	-	
	VIA CPU PLATFORM, INC.	940 Mission Court Fremont, CA 94539	Selling and designing of PC chipset	152	152	5	100.00	12,832	496	496	-	-	
VIATECH CO., LTD.	VIA TECHNOLOGIES (HK) INC. LTD.	Unit B 16/F., Y Ga Building, 532 Casile Peak Road KLN HK.	International Investment	2,609,434	2,609,434	649,325	100.00	3,242,432	1,467,791	1,467,791	-	-	
TECHBASE CO., LTD.	S3 Graphics (HK) Limited	Unit B, 16th Floor, Y Ga Building, 532 Castle Peak Road, Kowloon	International Investment	100,631	100,631	10	100.00	470,656	65,526	65,526	-	-	
	S3 Graphics Inc.	940 Mission Court, Fremont, CA 94539	Selling and designing of PC chipset	94,296	94,296	-	100.00	185,218	(192)	(192)	-	-	
VIA Labs, Inc.	VIA LABS USA, INC.	940 Mission Court, Fremont, CA 94539	Contract testing and sales marketing support	8,823	8,823	300	100.00	10,787	746	746	-	-	

Note 1: The net equity value of VIATECH CO., LTD. at the end of the period was \$4,509,415 thousand, and the difference between the net equity value and the carrying value of the investment was due to downstream transactions.

Note 2: The net equity value of VIABASE CO., LTD. at the end of the period was \$7,190,561 thousand, and the difference between the net equity value and the carrying value of the investment was due to downstream transactions.

Note 3: The net equity value of VLI at the end of the period was \$1,796,903 thousand, and the difference between the net equity value and the carrying value of the investment was due to the adjustment of the fair value of the investment properties and IFRS 16.

Note 4: The net equity value of VIA Next Technologies, Inc. at the end of the period was \$341,327 thousand, and the difference between the net equity value and the carrying value of the investment was due to the adjustment of the fair value of the investment properties and IFRS 16.

Note 5: The net equity value of Vate Technology Co., Ltd. at the end of the period was \$339,561 thousand, and the difference between the net equity value and the carrying value of the investment was due to the adjustment of IFRS 16.

Note 6: The net equity value has been negative, but the parent company has no intention to continue to support the company; therefore, the recognition of investment loss is limited to the capital contribution.

Note 7: The net equity value has been negative, but the parent company will continue to support the company and still recognizes investment loss according to the shareholding ratio, resulting in a credit balance of the carrying amount, which is accounted for under other liabilities.

Note 8: Information on the investment in mainland China is disclosed on Table 8.

(Concluded)

TABLE 8

VIA TECHNOLOGIES, INC.

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1.

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2022	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2022	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of December 31, 2022	Accumulated Repatriation of Investment Income as of December 31, 2022	Note
					Outward	Inward							
VIA Technologies (Shenzhen) Co., Ltd	Selling of CPU and PC chipset	\$ 96,675	Through investing in an existing company in the third area, which then invested in the investee in Mainland China	\$ -	\$ -	\$ 96,675	\$ 31,189	100.00	\$ 31,189	\$ 263,318	\$ -	VIA Technologies, Inc. as the investor	
VIA Technologies (China) Co., Ltd.	Selling of CPU and PC chipset	602,374	"	602,374	-	602,374	110,401	100.00	110,401	2,176,805	-	VIA Technologies, Inc. as the investor	
VIA Technologies (Shanghai) Co., Ltd.	Selling of graphics chipset	77,340	"	76,876	-	76,876	22,723	100.00	22,723	405,014	-	VIA Technologies, Inc. as the investor	
VIA Telecom (Hangzhou) Co., Ltd.	Selling of PC chipset	240,000	"	118,800	-	118,800	(79)	48.94	(39)	(413) (Note 2)	-	VIA Technologies, Inc. as the investor	
Jingni Science and Technology (Beijing) Limited Company	Selling of PC chipset	90,000	"	44,100	-	44,100	7,453	48.94	3,647	51,720	-	VIA Technologies, Inc. as the investor	
VIA CPU Platform (Shanghai) Co., Ltd.	Manufacturing, researching, developing and selling of integrated circuits chip	488	Direct investment in company located in mainland China through VIA Technologies (Shanghai) Co., Ltd.	-	-	-	(14)	100.00	(14)	435	-	VIA Technologies, Inc. as the investor	
VIA Technologies (Shenzhen) Co., Ltd.	Integrated circuits chip testing and technical support	4,657	Direct investment in company located in mainland China through VIA Labs, Inc.	4,657	-	4,657	1,641	100.00	1,641	9,336	-	VIA Labs, Inc. as the investor	
VIA Labs (Beijing), Inc.	Integrated circuits chip testing and technical support	4,342	Direct investment in company located in mainland China through VIA Labs, Inc. and VIA Labs (Shenzhen) Co., Ltd.	4,237	-	4,237	(2)	100.00	(2)	4,407	-	VIA Labs, Inc. as the investor	
Shengchuang Smart Education Technology (Shandong) Co., Ltd.	R&D and sales of artificial intelligence products, teaching equipment and teaching software	13,168	Direct investment in company located in mainland China through VIA Technologies (China) Co., Ltd.	-	-	-	(4,088)	40.00	(1,635)	3,327	-	VIA Technologies, Inc. as the investor	
Weihongshengxin Technology (Shanghai) Co., Ltd.	Electronic components manufacturing and information software processing services	4,395	Direct investment in company located in mainland China through VIA Next Technologies, Inc.	-	-	4,395	(1,577)	100.00	(1,577)	2,841	-	VIA Next Technologies Co., Ltd. as the investor	
VIA Software (Hangzhou) Co., Ltd.	Selling of chipsets and computer software	11,601	Through investing in an existing company in the third area, which then invested in the investee in Mainland China	11,601	-	11,601	-	-	-	-	-	(Note)	

Note 1: The paid-in capital of VIA Software (Hangzhou) Co., Ltd. and the accumulated investment amount remitted from Taiwan were \$11,601 thousand, and the liquidation was completed at the end of 2009.

Note 2: The net equity value has been negative, the parent company will continue to support the company and still recognizes investment loss according to the shareholding ratio, resulting in a credit balance of the carrying amount, which is accounted for under other liabilities.

(Continued)

2.

Company	Accumulated Outflow for Investment in Mainland China as of December 31, 2022	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on Investment
VIA Technologies, Inc	\$ 2,676,648 (US\$ 52,693) (HK\$ 203,653) (CNY 60,215)	\$ 2,827,156 (US\$ 79,073) (HK\$ 25,000) (CNY 70,965)	(Note 1)
VIA Labs, Inc.	196,729 (CNY 40,116)	218,069 (CNY 45,100)	\$ 1,908,554

Note 1: Since the Company obtained the certificate of qualification for operating its headquarter in July 2022, which was issued by the Industrial Development Bureau, MOEA, the limit on investment in mainland China pursuant to "Principle of investment or Technical Cooperation in Mainland China" is not applicable.

Note 2: The amount of \$1,423,663 thousand of accumulated outflow for investment in mainland China and the investment amount authorized by the Investment Commission, MOEA were invested in Shanghai Zhaoxin Semiconductor Co., Ltd., which is accounted for under financial assets at fair value through profit or loss - non-current.

Note 3: The amount of \$485,537 thousand of accumulated outflow for investment in mainland China and the investment amount authorized by the Investment Commission, MOEA were invested in EverPro (Wuhan) Technologies Limited (renamed as EverPro (Wuhan) Technologies Joint Stock Limited Company), which is accounted for under financial assets at fair value through profit or loss - non-current.

Note 4: The amount of \$462 thousand of accumulated outflow for investment in mainland China and the investment amount authorized by the Investment Commission, MOEA were invested in Shenzhen KikaGO Limited through investment in KikaGo Limited in the third area, which is accounted for under financial assets at fair value through other comprehensive income - non-current.

3. Significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment term, and unrealized gains or losses:

Investee Company	Relationship	Transaction Type	Price	Transaction Details		Notes/Accounts Receivable (Payable)		Unrealized (Gain) Loss
				Payment Terms	Comparison with Normal Transactions	Ending Balance	%	
Shanghai Zhaoxin Semiconductor Co., Ltd.	The Company is a director of the company	Other operating revenues and sales revenues	\$ 2,467,343	60-90 days	Similar to non-related party transaction	\$ -	-	\$ -

4. The direct and indirect endorsement, guarantee or collateral were provided by investment companies in mainland China through a third region. (None)

5. The direct and indirect capital financing were provided with investment companies in mainland China through a third region. (None)

6. Other transactions that have a significant effect on the current periods profit or loss or financial position. (None)

(Concluded)

VIA TECHNOLOGIES, INC.**INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2022**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Shin Ton Investment Co., Ltd.	48,548,127	9.75
CW & ET Link Inc.	48,114,333	9.67
Hung Mao Investment Co., Ltd.	45,281,073	9.10
Way Chih Investment Co., Ltd.	42,290,638	8.50
Kun Chang Investment Co., Ltd.	41,141,508	8.26
Cher Wang	34,629,196	6.96

Note: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preference shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

VIA Technologies, Inc.

Chairman: Wen-Chi Chen