

VIA Technologies, Inc. and Subsidiaries

**Consolidated Financial Statements for the
Years Ended December 31, 2022 and 2021 and
Independent Auditors' Report**

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.

Shu Lin Liu 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)

	<u>2022</u>		<u>2021</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
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>-</u>	<u>(2,681)</u>	<u>-</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							Other Equity		Total Equity Attributable to Owners of the Company	Non-controlling Interests	Total Equity
	Share Capital	Capital Collected in Advance	Capital Surplus	Retained Earnings		Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gain or Loss on Financial Assets at Fair Value Through Other Comprehensive Income	Unearned Employee Benefits			
				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												
Legal reserve	-	-	-	354,878	-	(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												
Legal reserve	-	-	-	394,847	-	(394,847)	-	-	-	-	-	-
Special reserve	-	-	-	-	314,356	(314,356)	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	(495,350)	-	-	-	(495,350)	-	(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	<u>\$ 4,970,099</u>	<u>\$ 12,037</u>	<u>\$ 1,241,826</u>	<u>\$ 749,725</u>	<u>\$ 910,285</u>	<u>\$ 4,908,847</u>	<u>\$ 266,586</u>	<u>\$ (58,445)</u>	<u>\$ (1,043)</u>	<u>\$ 12,999,917</u>	<u>\$ 1,556,791</u>	<u>\$ 14,556,708</u>

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	1,146	1,425
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	(401,765)	(762,757)
Net cash generated from operating activities	494,526	1,524,921

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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	<u>41,507</u>	<u>93,260</u>
Net cash generated from investing activities	<u>660,062</u>	<u>5,154,069</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	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	<u>(325,580)</u>	<u>(128,956)</u>
Net cash used in financing activities	<u>(594,071)</u>	<u>(332,194)</u>
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

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
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

	December 31	
	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:

	December 31	
	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

	December 31	
	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 contracts 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

	December 31	
	2022	2021
<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 December 31		Remark
			2022	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.	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 USA, Inc.	Contract testing and sales marketing support	100.00	100.00	-
	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 Next Technologies (Shanghai) Co., Ltd.	Manufacturing electronic parts and information software processing services	100.00	-	5)
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	100.00	100.00	-
	VIA Technologies, Inc.	2. Selling of PC chipset	100.00	100.00	-
VIA-HK	VIA Cyrix, Inc.	Selling and designing of PC chipset	100.00	100.00	-
	VIA CPU Platform Inc.	Designing, manufacturing and selling of CPU	100.00	100.00	-
	VIA Technologies (Shenzhen) Co, Ltd.	Selling and designing of PC chipset	100.00	100.00	-
TECHBASE	VIA Technologies (China) Co., Ltd.	Selling of CPU and PC chipset	100.00	100.00	-
	S3 Graphics (HK) Limited	International investment	100.00	100.00	-
	S3 Graphics, Inc.	Selling and designing of PC chipset	100.00	100.00	-
S3 Graphics (HK) Limited	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)
	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	2021
VIA Labs, Inc.	Taiwan	43.51%	42.89%

Name of Subsidiary	Profit (Loss) Allocated to Non-controlling Interests		Accumulated Non-controlling Interests	
	For the Year Ended December 31		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

	December 31	
	2022	2021
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:

	For the Year Ended December 31	
	2022	2021
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
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
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

	December 31	
	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.

	For the Year Ended December 31	
	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

	December 31	
	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	\$ 3,833	\$ 8,992
Expenses relating to low-value asset leases	\$ 2,378	\$ 2,045
Total cash outflow for leases	\$ 120,142	\$ 118,873

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	(9,629)
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.

	December 31	
	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

	December 31	
	2022	2021
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

	December 31	
	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 Group 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

(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)

	December 31	
	2022	2021
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

	December 31	
	2022	2021
<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:

- 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.
- 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.
- 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	<u>\$ 4,970,099</u>	<u>\$ 4,944,109</u>
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	-	-
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	\$ 653	\$ 3,091
Inventories (included in operating costs)	\$ 359,670	\$ 212,409
Property, plant and equipment (included in other income and losses)	\$ -	\$ 22,357
Right-of-use assets (included in other income and losses)	\$ -	\$ 50,874

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	(2,243)	3,094
	<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

	For the Year Ended December 31	
	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

	For the Year Ended December 31	
	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	
	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>

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	\$ -	\$ 1,861	\$ -	\$ 1,861
Financial assets at FVTOCI				
Overseas unlisted shares	\$ -	\$ -	\$ 206,790	\$ 206,790
Overseas beneficiary certificates	-	-	865,777	865,777
	\$ -	\$ -	\$ 1,072,567	\$ 1,072,567
				(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	-	-	299,932	299,932
	\$ 538,496	\$ -	\$ 1,636,818	\$ 2,175,314
Financial assets at FVTOCI				
Overseas unlisted shares	\$ -	\$ -	\$ 114,066	\$ 114,066
Overseas beneficiary certificates	-	-	556,049	556,049
	\$ -	\$ -	\$ 670,115	\$ 670,115

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	85,838	-
Balance at December 31	\$ 1,769,876	\$ 1,072,567

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

Financial Instruments	Valuation Techniques and Inputs
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

Financial Instruments	Valuation Techniques and Inputs
Domestic and overseas unlisted shares	Market approach:
Overseas beneficiary certificates	<ol style="list-style-type: none"> 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)

Financial Instruments	Valuation Techniques and Inputs
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

	December 31	
	2022	2021
<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

	December 31	
	2022	2021
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

Related Party	Related-Party Category
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)

Related Party	Related-Party Category
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
Chuan-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

	For the Year Ended December 31	
	2022	2021
<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

		For the Year Ended December 31, 2021			
	Account	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:

	December 31	
	2022	2021
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

Contractor	Item	Contract Period	Description	Restrictions
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>

TABLE 1

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.

TABLE 2

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/Guarantee		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:
- a. The Company is coded “0”.
 - b. 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:
- a. Companies with business dealings.
 - b. A company in which the Company directly or indirectly holds more than 50% of the voting shares.
 - c. A company directly or indirectly holds more than 50% of the voting shares of the Company.
 - d. A company in which the Company directly or indirectly holds more than 90% of the voting shares.
 - e. 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.
 - f. A company that is endorsed and guaranteed by all shareholders of the Company based on their ownership percentage due to a joint investment relationship.
 - g. 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 (%)	Fair Value	
VIA Technologies, Inc.	<u>Listed company</u> 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	There is no clear objective evidence to estimate the value of the shares, so it is calculated as 0.
	Xander International Corp.	Same board chairman	"	4,559	167,766	5.02	167,766	
	First International Computer, Inc.	The chairman of the company and the chairman of the Company are second-degree relatives	"	8	312	-	312	
	Star Comgistic Capital Co., Ltd.	None	"	86	2,322	0.11	2,322	
	IQE PLC	"	"	6	112	-	112	
	<u>Unlisted company</u> 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.	"	"	40	87	3.97	87	
	Digitimes Inc.	"	"	158	2,647	0.80	2,647	
	Techgains Pan Pacific Corp.	"	"	500	2,345	1.47	2,345	
	United Communication (Holdings) Corporation	"	"	4	-	8.00	-	
VIA Labs, Inc.	<u>Convertible bonds</u> Ennoconn Corporation	None	Financial assets at fair value through profit or loss - non-current	2	210,585	-	210,585	
	<u>Unlisted company</u> 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 (%)	Fair Value	
VIABASE CO., LTD.	<u>Beneficiary certificates</u> 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	
	<u>Convertible bonds</u> Ennoconn Corporation	None	Financial assets at fair value through profit or loss - non-current	1	105,293	-	105,293	
	<u>Unlisted company</u> 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	
	<u>Beneficiary certificates</u> 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.	<u>Unlisted company</u> IPILOT INCORPORATED	None	Financial assets at fair value through profit or loss - non-current	750	-	8.95	-	
VIATECH CO., LTD.	<u>Listed company</u> Ezconn Corporation	None	Financial assets at fair value through profit or loss - current	60	2,767	0.09	2,767	
	<u>Unlisted company</u> 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 (%)	Fair Value	
Vate Technology Co., Ltd.	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	
	10D Opportunity Fund I L.P.	"	"	-	9,213	9.94	9,213	
	Section 32 Fund 5 L.P.	"	"	-	5,297	3.50	5,297	
	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	
	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	
	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	
	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	
VIA Technologies (China) Co., Ltd.	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 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	Carrying Amount	Gain (Loss) on Disposal	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	-	\$ -	\$ -	Equity method of profit or loss \$ (532,391) Exchange differences on translating foreign operations 337,973	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	-	-	-	Equity method of profit or loss (579,207) Exchange differences on translating foreign operations (5,435)	276,591	(143,245)

TABLE 5

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	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. 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			
				Financial Statement Account	Amount	Payment Terms	Percentage to Consolidated Total Assets/Revenue (%) (Note 3)
0	2022 VIA Technologies, Inc.	VIA Technologies, Inc. (USA)	a	Sales	\$ 430,716	The sales volume is large, and its price is lower than usual Similar to non-related party transaction	5
		VIA Technologies, Inc. (USA)	a	Accounts receivable	101,243		-
		VIA Technologies, Inc. (USA)	a	Service revenue	44,312		-
		VIA Technologies (Shenzhen) Co, Ltd.	a	Purchases	73,200		1
		VIA Technologies (Shenzhen) Co, Ltd.	a	Accounts payable	10,836		-
		VIA Technologies (Shenzhen) Co, Ltd.	a	Sales	34,969		-
		Vate Technology Co., Ltd.	a	Accounts payable	22,153		-
		Vate Technology Co., Ltd.	a	Test expense	60,226		1
		VIA Next Technologies, Inc.	a	Service revenue	59,424		1
		VIA Next Technologies, Inc.	a	Rental income	27,643		1
		VIA Labs, Inc.	a	Service revenue	19,304		-
		VIA Labs, Inc.	a	Rental income	14,715		-
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.	c	Test expense	48,392	Similar to non-related party transaction	1
		VIA LABS USA, INC.	c	Research expense	24,328	"	-
		VIA Labs (Shenzhen) Co., Ltd.	c	Research expense	25,189	"	-
4	VIA Technologies (China) Co., Ltd.	VIA Technologies (Shenzhen) Co, Ltd.	c	Service revenue	20,920	Similar to non-related party transaction	-
		VIA Technologies (Shenzhen) Co, Ltd.	c	Accounts receivable	20,787	"	-
		VIA CPU PLATFORM (HK) LIMITED	c	Service revenue	146,687	"	2
		VIA CPU PLATFORM (HK) LIMITED	c	Other receivable	55,892	"	-
5	VIA Technologies (Shenzhen) Co, Ltd.	VIA CPU PLATFORM (HK) LIMITED	c	Service revenue	190,931	"	2
		VIA CPU PLATFORM (HK) LIMITED	c	Accounts receivable	68,224	"	-
6	VIA CPU PLATFORM (HK) LIMITED	VIA Technologies (Shanghai) Co., Ltd.	c	Research expense	172,356	"	2
		VIA TECHNOLOGIES JAPAN K.K.	c	Research expense	29,943	"	-

(Continued)

No.	Company Name (Note 1)	Counterparty	Flow of Transactions (Note 2)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	Percentage to Consolidated Total Assets/Revenue (%) (Note 3)
7	VIA Technologies, Inc.	VIA CPU PLATFORM (HK) LIMITED VIA CPU PLATFORM (HK) LIMITED	c c	Accounts receivable	\$ 16,407	Similar to non-related party transaction	-
				Service revenue	57,353	"	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.	VIATECH 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	\$ 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)	(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 processing services	10,000	10,000	1,000	100.00	10,856	48	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 processing services	134,560	134,560	500	100.00	23,502 (Note 4)	193,212	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	(18,124)	(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 processing services	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)	(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	-	
VIABASE CO., LTD.	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)	(12,765)	-	-	
	IP-FIRST LLC.	15 East North Street, Dover, Keut 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 2. International investment	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	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 Sana 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	Manufacturing, researching, developing and selling of integrated circuits and other semiconductor devices.	6,386	6,386	1	100.00	12,730	91	91	-	-	
	SURE VICTORY INVESTMENT LTD.	3rd Floor, J & C Building, P.O. Box 362, Road Town, Tortola, British Virgin Islands	International Investment	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.	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	\$ -	\$ -	
	VIA CPU PLATFORM (HK) LIMITED	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)	940 Mission Court Fremont, CA 94539	Selling and designing of PC chipset	134,145	134,145	130	100.00	740,453	70,963	70,963	-	-	
	VIA-CYRIX, INC.	2552 Summit Avenue, Suite 406, Plano, TX75074	Designing, manufacturing and selling of CPU	1,351,734	1,351,734	-	100.00	(163) (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., V Ga Building, 532 Castle Peak Road KLN HK.	International Investment	2,609,434	2,609,434	649,325	100.00	3,242,432	146,791	146,791	-	-	
TECHBASE CO., LTD.	S3 Graphics (HK) Limited	Unit B, 16th Floor, V 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, 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.

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)

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	\$ -	\$ -	\$ 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
Jingrui 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.	-	4,395	-	4,395	(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)		Unrealized (Gain) Loss
				Payment	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	Similar to non-related party transaction	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 period's profit or loss or financial position. (None)

(Concluded)

TABLE 10**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.