VIA Technologies, Inc.

Parent Company Only Financial Statements for the Years Ended December 31, 2021 and 2020 and Independent Auditors' Report

Deloitte.

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INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
VIA Technologies, Inc.

Opinion

We have audited the accompanying parent company only financial statements of VIA Technologies, Inc. (the "Company"), which comprise the parent company only balance sheets as of December 31, 2021 and 2020, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the accompanying parent company only financial position of the Company as of December 31, 2021 and 2020, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters of the parent company only financial statements for the year ended December 31, 2021 are as follows:

<u>Revenue Recognition</u>

Revenue from the sale of goods is recognized when significant risks and control are transferred to the customers. Technical service revenue is recognized when performance obligations of service are fulfilled and the amount of revenue can be reasonably measured. The revenue from specific customers increased significantly compared with the prior year and relevant recognition of revenue was deemed to be a key audit matter.

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

We understood and tested the effectiveness of the design and the implementation of internal controls with respect to revenue recognition of specific customers. We selected samples of revenue from the aforementioned customers to confirm that revenue transactions had indeed occurred.

<u>Evaluation of Investments Accounted for Using the Equity Method</u>

As stated in Note 11 to the parent company only financial statements, as of December 31, 2021, the carrying amount of the investment in subsidiaries accounted for using the equity method was $13,875,986 thousand, representing 74% of the Company's assets. For the year ended December 31, 2021, the amount of share of profit of subsidiaries was $4,197,034 thousand, representing 103% of the Company's profit before income tax, which is material to the parent company only financial statements. Therefore, evaluation of investments in subsidiaries accounted for using the equity method was deemed to be a key audit matter.

In order to evaluate investments in subsidiaries accounted for using the equity method appropriately, we performed the audit procedures as follows:

1. We conducted our audits of the financial statements of subsidiaries in accordance with the auditing standards generally accepted in the Republic of China, the subsidiaries' financial statements have been prepared in accordance with the same accounting principles as the Company.

2. We obtained the investments in subsidiaries accounted for using the equity method for the year ended December 31, 2021, reviewed the calculation by the Company and evaluated the accuracy and completeness of the recognition of investment gain or loss.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

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

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2021 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 8, 2022

<u>*Notice to Readers*</u>

The accompanying financial statements are intended only to present the financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail.

VIA TECHNOLOGIES, INC.

PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

	2021		2020	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	$ 515,524	3	$ 242,313	2
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	536,323	3	150,016	1
Accounts receivable, net (Notes 4 and 8)	75,391	-	24,100	-
Accounts receivable - related parties (Notes 4, 8 and 32)	121,772	1	78,210	-
Other receivables (Notes 4, 8 and 32)	26,366	-	1,048,467	7
Inventories (Notes 4, 5 and 9)	1,050,522	5	503,634	4
Other current assets (Note 16)	150,719	1	87,674	1
Total current assets	2,476,617	13	2,134,414	15
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current (Notes 4, 7 and 33)	240,417	1	58,851	1
Investments accounted for using the equity method (Notes 4 and 11)	13,896,670	75	9,759,494	69
Property, plant and equipment (Notes 4, 12 and 33)	780,406	4	787,974	6
Right-of-use assets (Notes 4 and 13)	11,169	-	8,556	-
Investment properties, net (Notes 4, 5, 14 and 33)	1,202,804	7	1,178,132	8
Intangible assets (Notes 4 and 15)	18,035	-	13,592	-
Refundable deposits (Note 16)	9,012	-	25,086	-
Other financial assets - non-current (Notes 4, 10 and 33)	-	-	112,044	1
Total non-current assets	16,158,513	87	11,943,729	85
TOTAL	$ 18,635,130	100	$ 14,078,143	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Notes payable (Note 18)	$ 685	-	$ 541	-
Accounts payable (Note 18)	639,375	3	241,669	2
Accounts payable - related parties (Notes 18 and 32)	79,391	-	27,912	-
Other payables (Notes 19 and 32)	934,289	5	839,354	6
Current tax liabilities (Notes 4 and 25)	119,488	1	87,076	1
Provisions - current (Notes 4 and 20)	132,783	1	6,989	-
Lease liabilities - current (Notes 4 and 13)	6,992	-	5,500	-
Current portion of long-term borrowings (Notes 17 and 33)	950,000	5	120,000	1
Other current liabilities (Note 19)	233,634	1	52,323	-
Total current liabilities	3,096,637	16	1,381,364	10
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 17 and 33)	1,165,000	6	1,725,000	12
Long-term bills payable (Notes 17 and 33)	1,101,484	6	1,189,101	9
Deferred tax liabilities (Notes 4 and 25)	142,230	1	137,237	1
Lease liabilities - non-current (Notes 4 and 13)	3,795	-	2,286	-
Net defined benefit liabilities (Notes 4 and 21)	350,682	2	336,791	2
Credit balance of investments accounted for using the equity method (Notes 11 and 19)	175,702	1	-	-
Other non-current liabilities (Notes 19 and 32)	8,653	-	7,934	-
Total non-current liabilities	2,947,546	16	3,398,349	24
Total liabilities	6,044,183	32	4,779,713	34
EQUITY (Note 22)				
Share capital	4,944,109	27	4,933,034	35
Advance receipts for share capital	24,881	-	18,824	-
Capital surplus	1,209,690	7	1,168,504	8
Retained earnings				
Legal reserve	354,878	2	-	-
Special reserve	595,929	3	-	-
Unappropriated earnings	6,150,928	33	3,548,777	25
Other equity	(689,468)	(4)	(370,709)	(2)
Total equity	12,590,947	68	9,298,430	66
TOTAL	$ 18,635,130	100	$ 14,078,143	100

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

VIA TECHNOLOGIES, INC.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUE (Notes 4, 23 and 32)	$ 2,579,177	100	$ 1,425,987	100
OPERATING COSTS (Notes 9, 21, 24 and 32)	2,208,773	86	943,298	66
GROSS PROFIT	370,404	14	482,689	34
UNREALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES	(2,620)	-	(2,811)	-
REALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES	2,811	-	4,520	-
REALIZED GROSS PROFIT	370,595	14	484,398	34
OPERATING EXPENSES (Notes 21, 24 and 32)				
Selling and marketing expenses	128,852	5	96,267	7
General and administrative expenses	439,445	17	393,864	28
Research and development expenses	702,365	27	1,029,137	72
Total operating expenses	1,270,662	49	1,519,268	107
LOSS FROM OPERATIONS	(900,067)	(35)	(1,034,870)	(73)
NON-OPERATING INCOME AND EXPENSES (Notes 11, 14, 24 and 32)				
Interest income	614	-	674	-
Other income	319,377	13	78,667	5
Other gains and losses	511,010	20	737,642	52
Finance costs	(43,196)	(2)	(42,691)	(3)
Share of profit of subsidiaries and associates	4,197,730	163	5,074,423	356
Total non-operating income and expenses	4,985,535	194	5,848,715	410
PROFIT BEFORE INCOME TAX	4,085,468	159	4,813,845	337
INCOME TAX EXPENSE (Notes 4 and 25)	(124,524)	(5)	(91,199)	(6)
NET PROFIT FOR THE YEAR	3,960,944	154	4,722,646	331

(Continued)

VIA TECHNOLOGIES, INC.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	**%**	**Amount**	**%**
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 21 and 22)				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of defined benefit plans	$ (12,501)	-	$ (12,172)	(1)
Share of remeasurement of defined benefit plans of subsidiaries	32	-	157	-
Share of the other comprehensive income of subsidiaries accounted for using the equity method	(12,650)	(1)	(10,249)	(1)
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translating foreign operations	(306,080)	(12)	(5,684)	-
Share of the other comprehensive loss of associates accounted for using the equity method	(29)	-	(4)	-
Other comprehensive loss for the year, net of income tax	(331,228)	(13)	(27,952)	(2)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 3,629,716	141	$ 4,694,694	329
EARNINGS PER SHARE (Note 26)				
From continuing operations				
Basic	$ 8.01		$ 9.57	
Diluted	$ 7.84		$ 9.36	

The accompanying notes are an integral part of the parent company only financial statements. (Concluded)

VIA TECHNOLOGIES, INC.

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

	Share Capital	Capital Collected in Advance	Capital Surplus	Retained Earnings: Legal Reserve	Retained Earnings: Special Reserve	Retained Earnings: Unappropriated Earnings	Other Equity: Unrealized Loss on Financial Assets at Fair Value Through Other Comprehensive Income	Other Equity: Exchange Differences on Translating Foreign Operations	Total Equity
BALANCE AT JANUARY 1, 2020	$ 4,933,034	$ -	$ 113,696	$ -	$ -	$ (1,161,854)	$ (355,173)	$ 401	$ 3,530,104
Net profit for the year ended December 31, 2020	-	-	-	-	-	4,722,646	-	-	4,722,646
Other comprehensive loss for the year ended December 31, 2020	-	-	-	-	-	(12,015)	(5,688)	(10,249)	(27,952)
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	-	4,710,631	(5,688)	(10,249)	4,694,694
Changes in capital surplus from investments in associates	-	-	2,793	-	-	-	-	-	2,793
Share-based payment transaction (Note 27)	-	-	39,776	-	-	-	-	-	39,776
Issuance of ordinary shares under employee share options	-	18,824	-	-	-	-	-	-	18,824
Changes in percentage of ownership interests in the subsidiary (Note 28)	-	-	1,009,033	-	-	-	-	-	1,009,033
Recognition of employee share options issued by the subsidiary	-	-	3,206	-	-	-	-	-	3,206
BALANCE AT DECEMBER 31, 2020	4,933,034	18,824	1,168,504	-	-	3,548,777	(360,861)	(9,848)	9,298,430
Appropriation of 2020 earnings									
Legal reserve	-	-	-	354,878	-	(354,878)	-	-	-
Special reserve	-	-	-	-	595,929	(595,929)	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(395,517)	-	-	(395,517)
Net profit for the year ended December 31, 2021	-	-	-	-	-	3,960,944	-	-	3,960,944
Other comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	(12,469)	(306,109)	(12,650)	(331,228)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	3,948,475	(306,109)	(12,650)	3,629,716
Changes in capital surplus from investments in associates	-	-	252	-	-	-	-	-	252
Share-based payment transaction (Note 27)	-	-	29,887	-	-	-	-	-	29,887
Issuance of ordinary shares under employee share options	11,075	6,057	16,502	-	-	-	-	-	33,634
Changes in percentage of ownership interests in the subsidiary (Note 28)	-	-	(7,284)	-	-	-	-	-	(7,284)
Recognition of employee share options issued by the subsidiary	-	-	1,829	-	-	-	-	-	1,829
BALANCE AT DECEMBER 31, 2021	$ 4,944,109	$ 24,881	$ 1,209,690	$ 354,878	$ 595,929	$ 6,150,928	$ (666,970)	$ (22,498)	$ 12,590,947

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

VIA TECHNOLOGIES, INC.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

	2021	**2020**
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	$ 4,085,468	$ 4,813,845
Adjustments for:		
Depreciation expense	34,899	37,798
Amortization expense	8,035	12,727
Finance costs	43,196	42,691
Interest income	(614)	(674)
Dividend income	(3,841)	(3,150)
Compensation costs of employee share options	29,887	39,776
Share of profit of subsidiaries and associates	(4,197,730)	(5,074,423)
Gain on disposal of property, plant and equipment	(256)	(108)
Gain on disposal of intangible assets	(128,437)	(742,324)
Unrealized gain on transactions with subsidiaries	2,620	2,811
Realized gain on transactions with subsidiaries	(2,811)	(4,520)
Gain on lease modification	(3)	(5)
Gain on changes in fair value of investment properties	(24,672)	(19,015)
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	(567,873)	16,064
Accounts receivable	(51,291)	8,521
Accounts receivable - related parties	(43,562)	(33,979)
Other receivables	(8,791)	1,035
Inventories	(546,888)	(124,216)
Other current assets	(63,197)	(64,819)
Financial liabilities at fair value through profit or loss	-	(3,107)
Notes payable	144	(2,304)
Accounts payable	397,706	116,509
Accounts payable - related parties	51,479	9,982
Other payables	94,621	408,619
Provisions	125,794	833
Other current liabilities	181,311	4,241
Net defined benefit liabilities	1,390	1,732
Cash used in operations	(583,416)	(555,460)
Interest received	619	699
Dividend received	3,841	3,150
Interest paid	(42,468)	(42,911)
Income tax (paid) refunded	(86,967)	38
Net cash used in operating activities	(708,391)	(594,484)

(Continued)

VIA TECHNOLOGIES, INC.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

	2021	2020
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of the investments accounted for using the equity method	$ (134,560)	$ (50,246)
Proceeds from disposal of investments accounted for using the equity method	160,126	-
Capital reduction and withdrawal from the investments accounted for using the equity method	-	89,370
Payments for property, plant and equipment	(20,238)	(18,846)
Proceeds from disposal of property, plant and equipment	256	801
Increase in refundable deposits	(4,025)	-
Decrease in refundable deposits	20,099	10,855
Payments for intangible assets	(9,775)	(11,676)
Proceeds from disposal of intangible assets	870,761	-
Payments for investment properties	-	(645)
Decrease in other financial assets	112,044	3,868
Dividend received from subsidiaries	175,514	132,056
Net cash generated from investing activities	1,170,202	155,537
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in long-term bills payable	248,000	278,000
Decrease in long-term bills payable	(336,000)	(72,000)
Proceeds from long-term borrowings	1,142,000	928,000
Repayments of long-term borrowings	(872,000)	(669,000)
Increase in guarantee deposits	719	-
Decrease in guarantee deposits	-	(99)
Repayment of the principal portion of lease liabilities	(9,436)	(10,575)
Dividends paid	(395,517)	-
Exercise of employee share options	33,634	18,824
Net cash (used in) generated from financing activities	(188,600)	473,150
NET INCREASE IN CASH AND CASH EQUIVALENTS	273,211	34,203
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	242,313	208,110
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 515,524	$ 242,313

The accompanying notes are an integral part of the parent company only financial statements. (Concluded)

VIA TECHNOLOGIES, INC.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

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

The parent company only financial statements are presented in New Taiwan dollars, the functional currency of VIA.

2. APPROVAL OF FINANCIAL STATEMENTS

The parent company only financial statements were approved by the board of directors of VIA and authorized for issue on March 8, 2022.

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

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

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

b. The IFRSs endorsed by the FSC for application starting from 2022

New IFRSs	Effective Date Announced by IASB
"Annual Improvements to IFRS Standards 2018-2020"	January 1, 2022 (Note 1)
Amendments to IFRS 3 "Reference to the Conceptual Framework"	January 1, 2022 (Note 2)
Amendments to IAS 16 "Property, Plant and Equipment - Proceeds before Intended Use"	January 1, 2022 (Note 3)
Amendments to IAS 37 "Onerous Contracts - Cost of Fulfilling a Contract"	January 1, 2022 (Note 4)

Note 1: The amendments to IFRS 9 will be applied prospectively to modifications and exchanges of financial liabilities that occur on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IAS 41 "Agriculture" will be applied prospectively to the fair value measurements on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IFRS 1 "First-time Adoptions of IFRSs" will be applied retrospectively for annual reporting periods beginning on or after January 1, 2022.

Note 2: The amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the annual reporting period beginning on or after January 1, 2022.

Note 3: The amendments are applicable to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021.

Note 4: The amendments are applicable to contracts for which the entity has not yet fulfilled all its obligations on January 1, 2022.

As of the date the financial statements were authorized for issue, the Company assesses that the application of above standards and interpretations will not have a material impact on the Company's financial position and financial performance.

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

New IFRSs	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
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, 2023
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 2)
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 3)
Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"	January 1, 2023 (Note 4)

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

Note 3: The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 4: Except for deferred taxes that will be recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments will be applied prospectively to transactions that occur on or after January 1, 2022.

<u>Amendments to IAS 1 "Disclosure of Accounting Policies"</u>

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

- Accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed;

- The Company may consider the accounting policy information as material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial; and

- Not all accounting policy information relating to material transactions, other events or conditions is itself material.

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

1) The Company changed its accounting policy during the reporting period and this change resulted in a material change to the information in the financial statements;

2) The Company chose the accounting policy from options permitted by the standards;

3) The accounting policy was developed in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" in the absence of an IFRS that specifically applies;

4) The accounting policy relates to an area for which the Company is required to make significant judgements or assumptions in applying an accounting policy, and the Company discloses those judgements or assumptions; or

5) The accounting is complex and users of the financial statements would otherwise not understand those material transactions, other events or conditions.

Amendments to IAS 8 "Definition of Accounting Estimates"

The amendments define that accounting estimates are monetary amounts in financial statements that are subject to measurement uncertainty. In applying accounting policies, the Company may be required to measure items at monetary amounts that cannot be observed directly and must instead be estimated. In such a case, the Company uses 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 the above impact, as of the date the consolidated financial statements were authorized for issue, the Company is continuously assessing the possible impact of the application of other standards and interpretations on the Company's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

The parent company only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis of Preparation

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

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

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

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

c. Level 3 inputs are unobservable inputs for the asset or liability.

When preparing these parent company only financial statements, the Company used the equity method to account for its investments in subsidiaries and associates. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in the parent company only financial statements to be the same with the amounts attributable to the owners of the Company in its consolidated financial statements, adjustments arising from the differences in accounting treatments between the parent company only basis and the consolidated basis were made to investments accounted for using the equity method, the share of profit or loss of subsidiaries and associates, the share of other comprehensive income of subsidiaries, associates and the related equity items, as appropriate, in these parent company only financial statements.

Classification of Current and Non-current Assets and Liabilities

Current assets include:

a. Assets held primarily for the purpose of trading;

b. Assets expected to be realized within twelve months after the reporting period; and

c. Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Current liabilities include:

a. Liabilities held primarily for the purpose of trading;

b. Liabilities due to be settled within twelve months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the parent company only financial statements are authorized for issue; and

c. Liabilities for which the Company does not have an unconditional right to defer settlement for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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

Foreign Currencies

In preparing the parent company only financial statements of the Company, transactions in currencies other than the Company’s functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period.

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

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

For the purposes of presenting parent company only financial statements, the assets and liabilities of the Company's foreign operations are translated into New Taiwan dollars using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising are recognized in other comprehensive income.

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

In relation to a partial disposal of a subsidiary that does not result in the Company losing control over the subsidiary, the proportionate share of accumulated exchange differences is included in the calculation of equity transaction but is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Inventories

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

Investments Accounted for Using the Equity Method

a. Investments in subsidiaries

   The Company uses the equity method to account for its investments in subsidiaries.

   A subsidiary is an entity (including a structured entity) that is controlled by the Company.

   Under the equity method, an investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the subsidiary. The Company also recognizes the changes in the Company's share of equity of subsidiaries.

   Changes in the Company's ownership interest in a subsidiary that do not result in the Company losing control of the subsidiary are accounted for as equity transaction. The Company recognizes directly in equity any difference between the carrying amount of the investment and the fair value of the consideration paid or received.

   When the Company's share of loss of a subsidiary exceeds its interest in that subsidiary (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Company's net investment in the subsidiary), the Company continues recognizing its share of further loss, if any.

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

The Company assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the investee's financial statements as a whole. Impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, the Company recognizes a reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization or depreciation) had no impairment loss been recognized in prior years. An impairment loss recognized on goodwill cannot be reversed in a subsequent period.

When the Company loses control of a subsidiary, it recognizes the investment retained in the former subsidiary at its fair value at the date when control is lost. The difference between the fair value of the retained investment plus any consideration received and the carrying amount of the previous investment at the date when control is lost is recognized as a gain or loss in profit or loss. Besides this, the Company accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required had the Company directly disposed of the related assets or liabilities.

Profit or loss resulting from downstream transactions is eliminated in full only in the parent company only financial statements. Profit and loss resulting from upstream transactions and transactions between subsidiaries is recognized only in the parent company only financial statements and only to the extent of interests in the subsidiaries that are not related to the Company.

b. Investments in associates

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

The Company uses the equity method to account for its investments in associates. Under the equity method, investments in an associate is initially recognized in the parent company only balance sheet at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the associate. In addition, the Company recognizes the changes in the share of the equity of associates.

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

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

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

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

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

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

Property, Plant and Equipment

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

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

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

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

Investment Property

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

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

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

Intangible Assets

Intangible assets acquired separately

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

Derecognition of intangible assets

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

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

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment, right-of-use asset and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation.

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

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

Financial Instruments

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

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

a. Financial assets

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

1) Measurement categories

Financial assets are classified into the following categories: Financial assets at FVTPL and financial assets at amortized cost.

a) Financial assets at FVTPL

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

Financial assets at FVTPL are subsequently measured at fair value, and any dividends or interest earned on such financial assets are recognized in other income and interest income, respectively; any remeasurement gains or losses on such financial assets are recognized in other gains or losses. Fair value is determined in the manner described in Note 31.

b) Financial assets at amortized cost

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

i. The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, accounts receivable (including related parties) at amortized cost, other receivables, 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.

2) Impairment of financial assets

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

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

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

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

a) Internal or external information show that the debtor is unlikely to pay its creditors.

b) When a financial asset is more than 90 days past due unless the Company has reasonable and corroborative information to support a more lagged default criterion.

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

3) Derecognition of financial assets

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

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

b. Equity instruments

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

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

The repurchase of the Company's own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Company's own equity instruments.

c. Financial liabilities

1) Subsequent measurement

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

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

2) Derecognition of financial liabilities

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

d. Derivative financial instruments

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

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

Provisions

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

Revenue Recognition

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

a. Revenue from the sale of goods

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

b. Revenue from the rendering of services

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

Leasing

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

a. The Company as lessor

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

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms. Lease modification that resulted from a negotiation with a lessee is accounted for as a new lease from the effective date of modification.

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

b. The Company as lessee

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

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

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

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

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. For a lease modification that is not accounted for as a separate lease, the Company accounts for the remeasurement of the lease liability by (a) decreasing the carrying amount of the right-of-use asset of lease modifications that decreased the scope of the lease, and recognizing in profit or loss any gain or loss on the partial or full termination of the lease; (b) making a corresponding adjustment to the right-of-use asset of all other lease modifications. Lease liabilities are presented on a separate line in the parent company only balance sheets.

The Company negotiates with the lessor for rent concessions as a direct consequence of the Covid-19 to change the lease payments originally due by June 30, 2021, that results in the revised consideration for the lease substantially less. There is no substantive change to other terms and conditions. The Company elects to apply the practical expedient to all of these rent concessions and, therefore, does not assess whether the rent concessions are lease modifications. Instead, the Company recognizes the reduction in lease payment in profit or loss as a deduction of expenses of other operating income and expenses, in the period in which the events or conditions that trigger the concession occur, and makes a corresponding adjustment to the lease liability. For other rent concessions in which practical expedient is not applied, the Company will assess whether to account for the rent concessions as lease modifications.

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

Employee Benefits

a. Short-term employee benefits

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

b. Retirement benefits

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

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

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

c. Other long-term employee benefits

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

d. Termination benefits

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

Share-based Payment Arrangements

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

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

Taxation

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

a. Current tax

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

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

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

b. Deferred tax

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

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

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

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

c. Current tax and deferred tax for the year

Current tax and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current tax and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

The Company considers the possible impact of the recent development of the COVID-19 in Taiwan and its economic environment implications when making its critical accounting estimates on cash flow projections, growth rate, discount rate, profitability, etc. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

Key Sources of Estimation Uncertainty

a. Fair value measurements and valuation processes on investment properties

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

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

Information on the valuation techniques and inputs used in determining the fair value of investment properties is disclosed in Note 14.

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	
	2021	**2020**
Cash on hand	$ 650	$ 604
Checking accounts and demand deposits	492,269	109,597
Cash equivalents:		
Repurchase agreements collateralized by bonds	22,605	132,112
	$ 515,524	$ 242,313

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

	December 31	
	2021	**2020**
Repurchase agreements collateralized by bonds	0.15%	0.20%

7. FINANCIAL INSTRUMENTS AT FVTPL

	December 31	
	2021	**2020**
Financial assets at FVTPL - current		
Financial assets classified as at FVTPL		
Domestic listed shares	$ 536,245	$ 149,843
Overseas listed shares	78	173
	$ 536,323	$ 150,016
Financial assets at FVTPL - non-current		
Financial assets classified as at FVTPL		
Domestic listed shares	$ -	$ 22,349
Domestic unlisted shares	38,356	34,473
Overseas unlisted shares	2,106	2,029
Domestic private convertible bonds	199,955	-
	$ 240,417	$ 58,851

The Company held derivative financial instruments in 2021 and 2020 for trading purpose and earned profit from foreign exchange rate fluctuation; as of December 31, 2021 and 2020, there were no outstanding contracts and its gain or loss was recognized as "foreign exchange gain or loss".

Refer to Notes 33 and 34 for the carrying amount of financial assets at fair value through profit or loss provided as collateral for the court.

8. ACCOUNTS RECEIVABLE (INCLUDED RELATED PARTIES) AND OTHER RECEIVABLES

	December 31	
	2021	**2020**
At amortized cost		
Accounts receivable		
Accounts receivable	$ 80,856	$ 29,669
Accounts receivable - related parties	122,266	78,600
Less: Allowance for impairment loss	(5,959)	(5,959)
	$ 197,163	$ 102,310
Other receivables		
Other receivables - related parties	$ 18,296	$ 887,610
Receivables from disposal of investments - disposal of subsidiary (Note 28)	-	160,126
Interest receivable	5	10
Others	8,065	721
	$ 26,366	$ 1,048,467

Receivables

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

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

The Company applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provision for all trade receivables. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtor operates and an assessment of both the current as well as the forecast direction of economic conditions at the reporting date. As the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Company's different customer base.

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

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

December 31, 2021

	Not Past Due	Less than 60 Days	61 to 90 Days	Over 90 Days	Total
Expected credit loss rate	0.50%-10%	10%-30%	30%-50%	100%	
Gross carrying amount	$ 190,667	$ 12,455	$ -	$ -	$ 203,122
Loss allowance (lifetime ECLs)	(2,223)	(3,736)	-	-	(5,959)
Amortized cost	$ 188,444	$ 8,719	$ -	$ -	$ 197,163

December 31, 2020

	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	$ 98,722	$ 6,850	$ 2,697	$ -	$ 108,269
Loss allowance (lifetime ECLs)	(2,555)	(2,055)	(1,349)	-	(5,959)
Amortized cost	$ 96,167	$ 4,795	$ 1,348	$ -	$ 102,310

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

The movements of the loss allowance of accounts receivable were as follows:

	For the Year Ended December 31, 2021
	Accounts Receivable (Including Related Parties)
Balance at January 1, 2021	$ 5,959
Add: Net remeasurement of loss allowance	-
Balance at December 31, 2021	$ 5,959

	For the Year Ended December 31, 2020
	Accounts Receivable (Including Related Parties)
Balance at January 1, 2020	$ 5,959
Add: Net remeasurement of loss allowance	-
Balance at December 31, 2020	$ 5,959

Other Receivables

Other receivables from related parties are described in Note 32.

9. INVENTORIES

	December 31	
	2021	2020
Merchandise	$ 48,213	$ 35,587
Finished goods	29,685	26,748
Work-in-process	255,415	157,790
Raw materials	717,209	283,509
	$ 1,050,522	$ 503,634

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2021 and 2020 was $103,705 thousand and $97,954 thousand, respectively, due to devaluation and obsolescence of inventories.

10. OTHER FINANCIAL ASSETS

	December 31	
	2021	2020
Restricted assets - non-current		
Demand deposits	$ -	$ 55,084
Time deposits	-	56,960
	$ -	$ 112,044

Restricted assets - non-current provided as collateral for the court are described in Notes 33 and 34.

11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2021	2020
Investment in subsidiaries	$ 13,875,986	$ 9,738,896
Investment in associates	$ 20,684	$ 20,598

a. Investments in subsidiaries

	December 31	
	2021	2020
Listed equity investments		
Vate Technology Co., Ltd.	$ 364,476	$ 324,310
VIA Labs, Inc.	1,715,979	1,398,593
Unlisted equity investments		
VIATECH Co., Ltd.	4,953,132	3,752,410
VIABASE Co., Ltd.	6,829,126	4,250,297
TUNGBASE Technologies Ltd.	-	31
Wei-Hon Co, Ltd.	10,808	10,790
VIA Embedded, Inc.	2,465	2,465
VIA Next Technologies, Inc.	(175,702)	-
	13,700,284	9,738,896
Add: Credit balance of investments accounted for using the equity method reclassified as other liabilities (Note 19)	175,702	-
	$ 13,875,986	$ 9,738,896

At the end of the reporting period, the proportion of ownership and voting rights in subsidiaries held by the Company were as follows:

	December 31	
	2021	2020
Vate Technology Co., Ltd.	66.28%	66.28%
VIA Labs, Inc.	57.11%	57.55%
VIATECH Co., Ltd.	100.00%	100.00%
VIABASE Co., Ltd.	100.00%	100.00%
TUNGBASE Technologies Ltd.	100.00%	100.00%
Wei-Hon Co, Ltd.	100.00%	100.00%
VIA Embedded, Inc.	100.00%	100.00%
VIA Next Technologies, Inc.	100.00%	-

In 2021, the Company invested additional $134,560 thousand in VIA CPU Platform (Taiwan) Co., Ltd. VIA CPU Platform (Taiwan) Co., Ltd. was renamed as VIA Next Technologies, Inc. in August 2021. The carrying amount of investment in VIA Next Technologies, Inc. includes the unrealized deferred benefits from the lease of investment properties to the subsidiary and the adjustment of right-of-use assets. As of December 31, 2021, the unrealized deferred benefits and the adjustment amount were $324,500 thousand and $(706) thousand, respectively.

As a result of the changes in equity of VIATECH Co., Ltd., VIABASE Co., Ltd., VIA Next Technologies, Inc. and VIA Labs, Inc. ("VLI"), the Company increased capital surplus by $113 thousand and unrealized loss on equity instruments at FVTOCI by $12,650 thousand in 2021 in accordance with the percentage of ownership.

In 2020, the Company invested additional $50,246 thousand in VIATECH Co., Ltd., and VIABASE Co., Ltd. had decreased its capital and refunded $89,370 thousand to the Company to improve the liquidity. In addition, VIATECH CO., LTD. reduced its capital to eliminate accumulated deficit of $664,096 thousand in 2020.

Resulting from the changes in equity of VIABASE Co., Ltd., and VLI, the Company increased capital surplus by $228 thousand and unrealized loss on equity instruments at FVTOCI by $10,249 thousand in 2020, in accordance with the percentage of ownership.

To cooperate with VLI’s plan for issuing shares before listing on the Taiwan Stock Exchange, VIA gave up its preemptive right for VLI’s issuance of shares in the fourth quarter of 2020, and offered some of its shares in VLI to the underwriters for over-allotment option, which reduced its equity interests in VLI from 66.33% to 57.55%. In 2021, employees of VLI exercised stock options and the Company reduced its equity interest in VLI from 57.55% to 57.11%. The above transactions without a loss of control were accounted for as equity transaction, and the Company recognized capital surplus of $(7,284) thousand and $1,009,033 thousand in 2021 and 2020, respectively. Refer to Note 28 for the details of the equity transaction with the subsidiary.

In 2021 and 2020, respectively, VLI issued employee share options and recognized compensation cost of $3,179 thousand and $4,833 thousand, resulting from the changes in equity of VLI, the Company increased capital surplus by $1,829 thousand and $3,206 thousand, respectively, in accordance with the percentage of ownership. Refer to Note 30 to the consolidated financial statements for the year ended December 31, 2021. In addition, the Company received cash dividends of $174,794 thousand and $131,336 thousand from VLI, in accordance with the percentage of ownership in 2021 and 2020, respectively.

Refer to Note 37 for the details of the subsidiaries indirectly held by the Company.

The carrying amount of investments in subsidiaries for VIATECH CO., LTD. and VIABASE CO., LTD. included the unrealized gain which was generated from selling intellectual property rights (excluding patent rights) of chipsets to Shanghai Zhaoxin Semiconductor Co., Ltd. in the fourth quarter of 2020, and the amounts were $89,775 thousand and $38,662 thousand, respectively. The unrealized gain will be recognized when Shanghai Zhaoxin Semiconductor Co., Ltd. amortizes the technological asset based on its useful life. In the first quarter of 2021, the Group ceased to have significant influence over Shanghai Zhaoxin Semiconductor Co., Ltd. and the Company recognized all unrealized gain as gain on disposal of intangible assets.

Except for VIA Embedded, Inc., Wei-Hon Co, Ltd. and TUNGBASE Technologies Ltd. in 2021 and 2020, the investments were accounted for using the equity method and the share of profit or loss and other comprehensive income of those investments were calculated based on financial statements which have been audited. The management believes the financial statements of VIA Embedded, Inc., Wei-Hon Co, Ltd. and TUNGBASE Technologies Ltd. for 2021 and 2020 which have not been audited did not have material impact on the Company’s parent company only financial statements. The Company’s share of profit or loss of the subsidiaries under the equity method which amounted to $4,197,034 thousand and $5,073,427 thousand in 2021 and 2020, respectively, was as follows:

	For the Year Ended December 31	
	2021	**2020**
VIATECH Co., Ltd.	$ 810,211	$ 1,893,259
VIABASE Co., Ltd.	2,857,227	2,944,673
TUNGBASE Technologies Ltd.	(30)	(8)
VIA Embedded, Inc.	-	-

(Continued)

	For the Year Ended December 31	
	2021	2020
VIA Labs, Inc.	$ 501,315	$ 207,566
Vate Technology Co., Ltd.	40,166	27,899
Wei-Hon Co, Ltd.	18	38
VIA Next Technologies, Inc.	(11,873)	-
	$ 4,197,034	$ 5,073,427

(Concluded)

b. Investments in associates

	December 31	
	2021	2020
Associates that are not individually material		
Intumit Inc.	$ 20,684	$ 20,598
iDOT Computers, Inc.	-	-
	$ 20,684	$ 20,598

Aggregate information of the associates that are not individually material is set out below.

	For the Year Ended December 31	
	2021	2020
The Company's share of:		
Net profit for the year	$ 696	$ 996
Other comprehensive income and loss	(29)	(4)
Total comprehensive income and loss for the year	$ 667	$ 992

Intumit Inc. issued ordinary shares for cash in December 2020, the Company subscribed for the additional new shares at a percentage different from its existing ownership percentages and reduced its equity interest but increased capital surplus by $2,459 thousand in 2020. In addition, Intumit Inc. issued employee share options and distributed earnings in 2021 and 2020, respectively; as a result, the Company increased capital surplus by $139 thousand and $106 thousand, respectively, and received cash dividends of $720 thousand and $720 thousand, respectively, in accordance with the percentage of ownership.

The management believes the financial statements of investment in associates above for the years ended December 31, 2021 and 2020 which have not been audited did not have material impact on the Company's financial statements.

The Company discontinued its financial support to iDOT Computers, Inc. in 2021 and 2020, and consequently, discontinued recognition of its share of losses of this associate. The Company's share of loss of its associate is limited to its interest in this associate. The amounts of unrecognized share of loss of this associate, both for the reporting periods and cumulatively, were as follows:

	For the Year Ended December 31	
	2021	**2020**
Unrecognized share of losses of the associate for the year	$ (23)	$ (28)
Accumulated unrecognized share of losses of the associate	$ (51)	$ (28)

12. PROPERTY, PLANT AND EQUIPMENT

	December 31	
	2021	**2020**
Assets used by the Company		
Land	$ 547,307	$ 547,307
Buildings and improvements	196,569	199,424
Machinery and equipment	9,098	8,363
Computer equipment	25,279	29,533
Instrument equipment	959	1,654
Transportation equipment	728	1,056
Furniture and fixtures	254	448
Leasehold improvements	212	189
	$ 780,406	$ 787,974

	Land	Buildings and Improvements	Machinery and Equipment	Computer Equipment	Instrument Equipment	Transportation Equipment	Furniture and Fixtures	Leasehold Improvements	Total
Cost									
Balance at January 1, 2020	$ 547,307	$ 354,945	$ 57,142	$ 88,222	$ 53,067	$ 4,959	$ 4,436	$ 5,601	$ 1,115,679
Additions	-	1,180	4,442	24,826	160	-	119	80	30,807
Disposal	-	(110)	(3,358)	(5,885)	(130)	-	-	-	(9,483)
Balance at December 31, 2020	$ 547,307	$ 356,015	$ 58,226	$ 107,163	$ 53,097	$ 4,959	$ 4,555	$ 5,681	$ 1,137,003
Balance at January 1, 2021	$ 547,307	$ 356,015	$ 58,226	$ 107,163	$ 53,097	$ 4,959	$ 4,555	$ 5,681	$ 1,137,003
Additions	-	7,118	4,140	5,305	756	-	-	185	17,504
Disposal	-	(218)	(378)	(11,512)	(605)	-	-	-	(12,713)
Balance at December 31, 2021	$ 547,307	$ 362,915	$ 61,988	$ 100,956	$ 53,248	$ 4,959	$ 4,555	$ 5,866	$ 1,141,794
Accumulated depreciation and impairment									
Balance at January 1, 2020	$ -	$ 147,509	$ 48,459	$ 73,330	$ 49,201	$ 3,574	$ 3,546	$ 4,974	$ 330,593
Depreciation expenses	-	9,145	4,762	9,539	2,372	329	561	518	27,226
Disposal	-	(63)	(3,358)	(5,239)	(130)	-	-	-	(8,790)
Balance at December 31, 2020	$ -	$ 156,591	$ 49,863	$ 77,630	$ 51,443	$ 3,903	$ 4,107	$ 5,492	$ 349,029
Balance at January 1, 2021	$ -	$ 156,591	$ 49,863	$ 77,630	$ 51,443	$ 3,903	$ 4,107	$ 5,492	$ 349,029
Depreciation expenses	-	9,973	3,405	9,559	1,451	328	194	162	25,072
Disposal	-	(218)	(378)	(11,512)	(605)	-	-	-	(12,713)
Balance at December 31, 2021	$ -	$ 166,346	$ 52,890	$ 75,677	$ 52,289	$ 4,231	$ 4,301	$ 5,654	$ 361,388

a. The above items of property, plant and equipment are depreciated on a straight-line basis over the estimated useful life as follows:

Buildings and improvements	5-55 years
Machinery and equipment	3-5 years
Computer equipment	3-5 years
Instrument equipment	3-5 years
Transportation equipment	3-5 years
Furniture and fixtures	3-5 years
Leasehold improvements	2-3 years

The major component parts of the buildings held by the Company included plant structures and power supplies, etc., are depreciated over their estimated useful lives of 50 to 55 years and 5 years, respectively.

b. There were no capitalized interests for the years ended December 31, 2021 and 2020.

c. Refer to Note 33 for the carrying amount of property, plant and equipment pledged as collateral.

d. The land and building rented to third parties were classified as investment properties, refer to Note 14.

13. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2021	**2020**
Carrying amount		
Buildings	$ 11,169	$ 8,556

	For the Year Ended December 31	
	2021	**2020**
Additions to right-of-use assets	$ 12,685	$ 7,612
Depreciation charge for right-of-use assets		
Buildings	$ 9,827	$ 10,572

Except for the aforementioned addition and recognized depreciation, the Company did not have significant sublease or impairment of right-of-use assets during the years ended December 31, 2021 and 2020.

b. Lease liabilities

	December 31	
	2021	**2020**
Carrying amount		
Current	$ 6,992	$ 5,500
Non-current	$ 3,795	$ 2,286

Range of discount rates for lease liabilities was as follows:

	December 31	
	2021	**2020**
Buildings	1.70%	1.70%

c. Material leasing activities and terms

The Company leases certain buildings for use as offices with lease terms of 1 to 20 years. The Company does not have bargain purchase options to acquire the leasehold buildings at the end of the lease terms. In addition, the Company is prohibited from subleasing or transferring all or any portion of the underlying assets without the lessor's consent.

d. Other lease information

	For the Year Ended December 31	
	2021	**2020**
Expenses relating to short-term leases	$ 1,974	$ 1,420
Total cash outflow for leases	$ 11,617	$ 12,189

The Company leases certain office equipment assets which qualify as short-term leases and low-value asset leases. The Company has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

14. INVESTMENT PROPERTIES

	Completed Investment Property
Balance at January 1, 2020	$ 1,158,472
Addition	645
Gain on change in fair value of investment properties	19,015
Balance at December 31, 2020	$ 1,178,132
Balance at January 1, 2021	$ 1,178,132
Addition	-
Gain on change in fair value of investment properties	24,672
Balance at December 31, 2021	$ 1,202,804

The investment properties were leased out for 1 to 3 years. All lease contracts contain market review clauses applicable to contract renewals. The lessee does not have a bargain purchase option to acquire the investment property at the expiry of the lease period.

The maturity analysis of lease payments receivable under operating leases of investment properties at December 31, 2021 and 2020 was as follows:

	December 31	
	2021	**2020**
Year 1	$ 46,131	$ 29,795
Year 2	14,017	28,459
Year 3	747	-
Year 4	15	-
	$ 60,910	$ 58,254

The fair values of investment properties with a carrying amount of at least 10% of the total assets as of December 31, 2021 and 2020 were based on the valuations carried out on February 15, 2022 and March 12, 2021, by independent qualified professional appraisers, Jin Sheng Lin and Huo Ming Huang, and Jin Sheng Lin and Kun Long Sie from Prudential Cross-Strait Real Estate Appraisers Firm, members of certified ROC real estate appraisers, who concluded that the fair values were reasonable.

The fair value of investment properties was estimated using unobservable inputs (Level 3). The movements in the fair value were as follows:

	Total
Balance at January 1, 2020	$ 1,158,472
Addition	645
Recognized in profit or loss (gain arising from the change in fair value of investment property)	
Unrealized	19,015
Balance at December 31, 2020	$ 1,178,132
Balance at January 1, 2021	$ 1,178,132
Addition	-
Recognized in profit or loss (gain arising from the change in fair value of investment property)	
Unrealized	24,672
Balance at December 31, 2021	$ 1,202,804

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	
	2021	**2020**
Expected future cash inflows	$ 1,614,332	$ 1,575,680
Expected future cash outflows	(51,986)	(45,057)
Expected future cash inflows, net	$ 1,562,346	$ 1,530,623
Discount rate	2.35%-3.10%	2.35%-3.10%

The market rentals for comparable properties in the area where the investment property is located were $1 thousand per ping (per 3.3 square meters).

Most investment properties had been leased out under operating leases. The rental income generated for the years ended December 31, 2021 and 2020 was $33,062 thousand and $32,084 thousand, respectively. The disposal value of investment properties was $1,251,982 thousand and $1,231,210 thousand under the income approach on December 31, 2021 and 2020, respectively.

The expected future cash inflows generated by investment property included rental income, interest income on rental deposits and disposal value. The rental income was extrapolated using the Company's current rental, taking into account the annual rental growth rate; the income analysis covers a 10-year period, the interest income on rental deposits was extrapolated using the Company's current rental, taking into account the annual rental growth rate; the time deposit interest rate for a 1-year; the disposal value was determined using the direct capitalization method under the income approach. The expected future cash outflows incurred by investment property included expenditure such as land value taxes, house taxes, maintenance costs, administrative expenses and insurance premium. These expenditure were extrapolated on the basis of the current level of expenditures, taking into account the future adjustment to the government-announced land value, the tax rate promulgated under the House Tax Act.

The discount rate was determined by reference to the interest rate for 2-year time deposits as posted by Chunghwa Post Co., Ltd., plus 0.75%, and any asset-specific risk premiums between 0.75% and 1.50%.

The investment properties held by the Company were all own interest. The investment properties pledged as collateral for bank borrowings were set out in Note 33.

15. INTANGIBLE ASSETS

	December 31	
	2021	**2020**
Carrying amount		
Patents	$ -	$ -
Computer software	18,035	13,592
	$ 18,035	$ 13,592

Movements of intangible assets for the years ended December 31, 2021 and 2020 were as follows:

	2021		
	Patents	**Computer Software**	**Total**
Cost			
Balance at beginning of the year	$ 56,163	$ 615,082	$ 671,245
Acquisition	-	12,478	12,478
Disposal	(13,297)	(157,805)	(171,102)
Balance at end of the year	42,866	469,755	512,621
Accumulated amortization and impairment			
Balance at beginning of the year	(56,163)	(601,490)	(657,653)
Amortization	-	(8,035)	(8,035)
Disposal	13,297	157,805	171,102
Balance at end of the year	(42,866)	(451,720)	(494,586)
Net carrying amount, at end of the year	$ -	$ 18,035	$ 18,035

	2020		
	Patents	Computer Software	Total
Cost			
Balance at beginning of the year	$ 56,163	$ 603,887	$ 660,050
Acquisition	-	12,415	12,415
Disposal	-	(1,220)	(1,220)
Balance at end of the year	56,163	615,082	671,245
Accumulated amortization and impairment			
Balance at beginning of the year	(56,163)	(589,983)	(646,146)
Amortization	-	(12,727)	(12,727)
Disposal	-	1,220	1,220
Balance at end of the year	(56,163)	(601,490)	(657,653)
Net carrying amount, at end of the year	$ -	$ 13,592	$ 13,592

The above items of intangible assets are amortized on a straight-line basis over the estimated useful life of the asset:

Patents	3-5 years
Computer software	3-5 years

16. OTHER ASSETS

	December 31	
	2021	2020
Prepaid expense	$ 27,902	$ 28,063
Prepayments of purchases of merchandise	97,347	52,740
Income tax refund receivable	26	178
Value-added tax receivable	25,167	4,759
Excess value-added tax paid	-	444
Temporary payment	277	1,490
Refundable deposits	9,012	25,086
	$ 159,731	$ 112,760
Current	$ 150,719	$ 87,674
Non-current	9,012	25,086
	$ 159,731	$ 112,760

17. BORROWINGS

a. Long-term borrowings

	December 31	
	2021	2020
Secured borrowings		
Bank loans	$ 765,000	$ 1,005,000
Unsecured borrowings		
Bank loans	1,350,000	840,000
Less: Current portion	(950,000)	(120,000)
Long-term borrowings	$ 1,165,000	$ 1,725,000

The long-term borrowings of the Company included:

			December 31	
			2021	2020
Taiwan Cooperative Bank - unsecured loan	Credit line: Period: Payment:	$300,000 thousand November 4, 2020 - November 4, 2025 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: Period: Payment:	$500,000 thousand January 31, 2019 - January 30, 2022 From one year after signing date, the loan will be repaid in one annual installment of $50,000 thousand; and $400,000 thousand for the last installment.	400,000	270,000
Mega International Commercial Bank - secured loan	Credit line: Period: Payment:	$600,000 thousand June 4, 2019 - June 3, 2022 From one year after signing date, the loan will be repaid in first (10%) and second (10%) annual installments; and the 80% will be repaid in full on the last installment.	200,000	300,000
Mega International Commercial Bank - secured loan	Credit line: Period: Payment:	$600,000 thousand March 24, 2020 - March 24, 2023 From one year after signing date, the loan will be repaid in first (10%) and second (10%) annual installments; and the 80% will be repaid in full on the last installment.	330,000	450,000
O-Bank Co., Ltd. and China Bills Financial Corporation - $1.7 billion syndicated loan	Credit line: Period: Payment:	$300,000 thousand December 24, 2020 - December 24, 2023 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.	235,000	255,000
CTBC Bank - unsecured loan	Credit line: Period: Payment:	$300,000 thousand October 24, 2019 - October 24, 2022 From one year after signing date, the loan will be repaid in seven installments of 10% each installment every three months; and the 30% will be repaid on the last installment.	150,000	270,000
KGIB - unsecured loan	Credit line: Period: Payment:	$300,000 thousand January 22, 2021 - January 22, 2024 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	-

(Continued)

			December 31	
			2021	2020
JihSun International Commercial Bank - unsecured loan	Credit line: Period: Payment:	$200,000 thousand January 22, 2021 - July 30, 2022 The loan will be repaid on maturity date on July 30, 2022.	$ 200,000	$ -
Less: Current portion			(950,000)	(120,000)
Total long-term borrowings			$ 1,165,000	$ 1,725,000

(Concluded)

As of December 31, 2021 and 2020, the weighted average effective interest rates of the bank borrowings were 1.39%-1.79% and 1.44%-1.79%, respectively.

The Company had applied to O-Bank Co., Ltd. and China Bills Finance for $1,700,000 thousand of a syndicated loan in December 2020. The facility of the bank borrowings and commercial paper was $300,000 thousand and $1,400,000 thousand, respectively. The loan is utilized during the date starting from the first three years, the Company shall maintain the following financial ratios and restrictions during the contract period, and the financial ratios should be reviewed based on the audited consolidated annual financial statements:

- Current ratio: Current assets divided by current liabilities, no less than 100%.

- Liability ratio: Total liabilities divided by net tangible assets, no more than 200%.

- Net tangible assets: No less than $3,000,000 thousand.

The above financial ratios are reviewed at least once a year. If the Company violates the foregoing financial ratios, the administration bank will host a conference to decide whether that is a breach of the contract. If the banks decided that there was a breach of the contract, all of the debts become due and the Company should liquidate all the debts upon receiving the notification from the administration bank.

Refer to Note 33 for the carrying amount of assets pledged by the Company to secure borrowings banking facilities.

b. Long-term bills payable

	December 31	
	2021	2020
Commercial paper	$ 1,102,000	$ 1,190,000
Less: Unamortized discount on bills payable	(516)	(899)
	$ 1,101,484	$ 1,189,101

Outstanding long-term bills payable were as follows:

Promissory Institutions	Nominal Amount	Discount Amount	Carrying Value	Interest Rate
December 31, 2021				
China Bills Finance	$ 1,102,000	$ 516	$ 1,101,484	1.229%-1.402%
December 31, 2020				
China Bills Finance	$ 1,190,000	$ 899	$ 1,189,101	1.225%

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 33 for the carrying amount of long-term bills payable pledged by the Company to secure borrowings banking facilities.

18. NOTES AND ACCOUNTS PAYABLE (INCLUDED RELATED PARTIES)

	December 31	
	2021	2020
Notes payable	$ 685	$ 541
Accounts payable	639,375	241,669
Accounts payable - related parties	79,391	27,912
	$ 719,451	$ 270,122

The average term of payment is 60 to 90 days. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

19. OTHER LIABILITIES

	December 31	
	2021	2020
Other payables		
Salaries and bonuses	$ 167,555	$ 144,589
Royalties and technical service fees	4,496	503
Professional fees	9,329	13,714
Insurance	6,816	6,425
Research and development	9,622	1,544
Advertisement	942	287
Pension	6,031	6,179
Equipment	14,503	17,237
Employees' compensation and remuneration of directors (Note 24)	687,619	467,619

(Continued)

	December 31	
	2021	2020
Purchase intangible assets	$ 12,882	$ 10,179
Indemnity (Note 34)	-	157,182
Others	14,494	13,896
	$ 934,289	$ 839,354

Other liabilities

Advance receipts	$ 226,062	$ 45,132
Receipts under custody	7,572	7,191
Guarantee deposit (Note 32)	6,757	6,038
Deferred credit	1,896	1,896
Credit balance of investments accounted for using the equity method (Note 11)	175,702	-
	$ 417,989	$ 60,257
Current		
Other payables	$ 934,289	$ 839,354
Other liabilities	$ 233,634	$ 52,323
Non-current		
Other payables	$ -	$ -
Other liabilities	$ 184,355	$ 7,934

(Concluded)

20. PROVISIONS

	December 31	
	2021	2020
Provisions for discounts and allowances	$ 132,783	$ 6,989
Current	$ 132,783	$ 6,989
Non-current	-	-
	$ 132,783	$ 6,989

Movement of provisions for the years ended December 31, 2021 and 2020 was as follows:

	For the Year Ended December 31	
	2021	2020
Balance at beginning of the year	$ 6,989	$ 6,156
Provisions recognized	127,584	1,510
Amount utilized	-	(677)
Reversal of unused balance	(1,790)	-
Balance at end of the year	$ 132,783	$ 6,989

21. RETIREMENT BENEFIT PLANS

Defined Contribution Plans

The pension plan under the Labor Pension Act (LPA) is a defined contribution plan. Based on the LPA, the Company makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

The total expenses recognized in the parent company only statement of comprehensive income were \$24,261 thousand and \$26,521 thousand, representing the contributions to these plans by the Company at the rates specified in the plans for the years ended December 31, 2021 and 2020, respectively. As of December 31, 2021 and 2020, the amounts of contributions payable were \$6,031 thousand and \$6,179 thousand, respectively.

Defined Benefit Plans

Based on the defined benefit plan under the Labor Standards Act (LSA), pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Company contributed amounts equal to 2% of total monthly salaries and wages to the pension fund administered by the pension fund monitoring committee. The pension fund is deposited in Bank of Taiwan in the committee's name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Company has no right to influence the investment policy and strategy.

The amounts included in the parent company only balance sheets in respect of the obligation of the Company under the defined benefit plans were as follows:

	December 31	
	2021	**2020**
Present value of defined benefit obligation	\$ (664,693)	\$ (642,583)
Fair value of plan assets	314,011	305,792
Deficit	(350,682)	(336,791)
Asset ceiling	-	-
Net defined benefit liabilities	\$ (350,682)	\$ (336,791)
Defined benefit liabilities	\$ 350,682	\$ 336,791

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, 2020	$ (626,030)	$ 303,143	$ (322,887)
Service cost			
Current service cost	(4,427)	-	(4,427)
Net interest (expense) income	(4,695)	2,295	(2,400)
Recognized in profit or loss	(9,122)	2,295	(6,827)
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	9,818	9,818
Actuarial loss - changes in demographic assumptions	(415)	-	(415)
Actuarial loss - changes in financial assumptions	(18,326)	-	(18,326)
Actuarial loss - experience adjustments	(3,249)	-	(3,249)
Recognized in other comprehensive income	(21,990)	9,818	(12,172)
Contributions from the employer	-	5,095	5,095
Benefits paid	14,559	(14,559)	-
Balance at December 31, 2020	$ (642,583)	$ 305,792	$ (336,791)
Balance at January 1, 2021	$ (642,583)	$ 305,792	$ (336,791)
Service cost			
Current service cost	(4,715)	-	(4,715)
Net interest (expense) income	(3,213)	1,542	(1,671)
Recognized in profit or loss	(7,928)	1,542	(6,386)
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	3,961	3,961
Actuarial loss - changes in demographic assumptions	(19,197)	-	(19,197)
Actuarial loss - experience adjustments	2,735	-	2,735
Recognized in other comprehensive income	(16,462)	3,961	(12,501)
Contributions from the employer	-	4,996	4,996
Benefits paid	2,280	(2,280)	-
Balance at December 31, 2021	$ (664,693)	$ 314,011	$ (350,682)

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	
	2021	**2020**
Summary of functions		
Operating costs	$ 348	$ 449
Selling and marketing expenses	454	439
General and administrative expenses	2,040	1,920
Research and development expenses	3,544	4,019
	$ 6,386	$ 6,827

Through the defined benefit plans under the LSA, the Company is exposed to the following risks:

a. Investment risk: The plan assets are invested in domestic/and foreign/equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.

b. Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.

c. Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2021	**2020**
Discount rates	0.500%	0.500%
Expected rates of salary increase	3.000%	3.000%

If possible reasonable change in each of the significant actuarial assumptions occur and all other assumptions remain constant, the present value of the defined benefit obligation will increase (decrease) as follows:

	December 31	
	2021	**2020**
Discount rates		
0.25% increase	$ (17,716)	$ (18,327)
0.25% decrease	$ 18,396	$ 19,070
Expected rates of salary increase		
0.25% increase	$ 17,648	$ 18,296
0.25% decrease	$ (17,094)	$ (17,687)

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	
	2021	2020
The expected contributions to the plan for the next year	$ 5,103	$ 5,194
The average duration of the defined benefit obligation	11.1 years	11.9 years

22. EQUITY

Share Capital

Ordinary shares

	December 31	
	2021	2020
Number of authorized shares (in thousands)	2,000,000	2,000,000
Amount of authorized shares	$ 20,000,000	$ 20,000,000
Number of issued and fully paid shares (in thousands)	494,411	493,303
Amount of issued and fully paid shares	$ 4,944,109	$ 4,933,034
Additional paid-in capital	16,502	-
	$ 4,960,611	$ 4,933,034
Advance receipts for share capital	$ 24,881	$ 18,824

The Company's ordinary shares on December 31, 2021 and 2020 were both 150,000 thousand shares in private placement, with a par value of $10. The shares were issued in May 2010 and the transfer of those securities has to conform to Article 43-8 of the Securities and Exchange Act. After three years from the date of private placement, the public trading of aforementioned securities without an effective registration with the Financial Supervisory Commission is prohibited. The public issuance of 150,000 thousand private ordinary shares was resolved by the board of directors in its meeting on April 29, 2021 and was registered by the FSC effective on August 6, 2021.

As of December 31, 2020, employees exercised 756 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 2021 employees exercised 1,009 thousand units and 246 thousand units of share options; each unit of shares was valued at NT$24.9 and NT$34.6, respectively. In the conversion of the aforementioned share options, 1,108 thousand shares have been applied to Ministry of Economic Affairs for its capital registration. As of December 31, 2021, the amount of issued and fully paid shares increased to $4,944,109 thousand, and 903 thousand shares were recognized as advance receipts for share capital because the capital registration has not been completed.

Capital Surplus

	December 31	
	2021	2020
Issuance of ordinary shares	$ 16,502	$ -
Change in percentage of ownership interests in the subsidiary (Note 28)	1,079,566	1,086,850
Change in capital surplus from investments in subsidiaries and associates	10,738	10,486
Recognition of employee share options issued by the subsidiary (Note 11)	7,765	5,936
Employee share options (Note 27)	93,985	65,232
Expired employee share options	1,134	-
	$ 1,209,690	$ 1,168,504

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.

As of December 31, 2021, a portion of the outstanding options of the Company has expired, and the amount of $1,134 thousand was recognized as capital surplus - expired employee share options, refer to Note 27.

Resulting from the change in capital surplus from investments in subsidiaries and associates in 2021 and 2020, adjustments of $252 thousand and $2,793 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 not less than 10% by cash dividends or share dividends. In addition, cash dividends should not be less than 10% of total dividends.

For the policies on the distribution of employees' compensation and remuneration of directors and supervisors, refer to Note 24 (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 2020, which were resolved by the shareholders' meetings on July 20, 2021, were as follows:

	2020
Legal reserve	$ 354,878
Special reserve	$ 595,929
Cash dividends to shareholders	$ 395,517
Cash dividends per share (NT$)	$ 0.80

The Company's shareholders resolved the appropriation of the loss for 2019 in their meeting on June 19, 2020. Information on earnings appropriation can be accessed online through the Market Observation Post System on the website of the Taiwan Stock Exchange.

The appropriations of earnings for 2021 proposed by the Company's board of directors on March 8, 2022 were as follows:

	Appropriations	**Dividends Per Share (NT$)**
Legal reserve	$ 394,847	$ -
Special reserve	314,356	-
Cash dividends to shareholders	495,350	1.00

The above cash dividends were resolved by the Company's board of directors, and the proposed appropriations will be resolved by the shareholders in the shareholders' meeting to be held on June 17, 2022.

Other Equity

Exchange differences on translating the financial statements of foreign operations

	For the Year Ended December 31	
	2021	**2020**
Balance at January 1	$ (360,861)	$ (355,173)
Recognized for the year		
Exchange differences arising from translating the foreign operations	(306,080)	(5,684)
Exchange differences arising from investment accounted for using the equity method	(29)	(4)
Balance at December 31	$ (666,970)	$ (360,861)

Exchange differences relating to the translation of the results of operations and net assets of the Company's foreign operations from their functional currencies to the Company's presentation currency (New Taiwan dollars) were recognized directly in other comprehensive income and accumulated in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve were reclassified to profit or loss on the disposal of the foreign operation.

Unrealized gain (loss) on financial assets at FVTOCI

	For the Year Ended December 31	
	2021	**2020**
Balance at January 1	$ (9,848)	$ 401
Recognized for the year		
Share of unrealized gain on equity instruments at FVTOCI of subsidiaries accounted for using the equity method	(12,650)	(10,249)
Balance at December 31	$ (22,498)	$ (9,848)

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.

23. REVENUE

	For the Year Ended December 31	
	2021	**2020**
Revenue from the sale of goods	$ 2,313,398	$ 1,148,726
Revenue from the rendering of services	265,779	277,261
	$ 2,579,177	$ 1,425,987

24. NET PROFIT (LOSS) FROM CONTINUING OPERATIONS

a. Other income

	For the Year Ended December 31	
	2021	2020
Rental income		
Operating lease rental income		
Investment properties	$ 33,062	$ 32,084
Others	13,946	10,982
Dividend income	3,841	3,150
Subsidy income	1,447	-
Others (Note)	267,081	32,451
	$ 319,377	$ 78,667

Note: In November 2021, the Company assisted Centaur Technology, Inc. and Intel Corporation in talent acquisition and provided general management consulting services for the subsidiary. According to the agreement, the consulting income was recognized as other income.

b. Other gains and losses

	For the Year Ended December 31	
	2021	2020
Net gain (loss) of financial instruments	$ 367,873	$ (16,064)
Loss on disposal of property, plant and equipment	256	108
Net foreign exchange (losses) gains	(4,931)	472
Gain on disposal of intangible assets (Note 32)	128,437	742,324
Gain arising from the changes in fair value of investment properties (Note 14)	24,672	19,015
Reparation loss (Note 34)	(5,733)	(8,216)
Others	436	3
	$ 511,010	$ 737,642

c. Finance costs

	For the Year Ended December 31	
	2021	2020
Interest on bank loans	$ 42,989	$ 42,497
Interest on lease liabilities	207	194
	$ 43,196	$ 42,691

d. Depreciation and amortization

	For the Year Ended December 31	
	2021	2020
Property, plant and equipment	$ 25,072	$ 27,226
Right-of-use assets	9,827	10,572
Intangible assets	8,035	12,727
	$ 42,934	$ 50,525
An analysis of depreciation by function		
Operating costs	$ 4,168	$ 5,056
Operating expenses	30,731	32,742
	$ 34,899	$ 37,798
An analysis of amortization by function		
Operating costs	$ -	$ -
Operating expenses	8,035	12,727
	$ 8,035	$ 12,727

e. Employee benefits expense

	For the Year Ended December 31	
	2021	2020
Short-term benefits	$ 896,579	$ 1,180,536
Post-employment benefits (Note 21)		
Defined contribution plans	24,261	26,521
Defined benefit plans	6,386	6,827
	30,647	33,348
Share-based payment	29,887	39,776
Total employee benefits expense	$ 957,113	$ 1,253,660
An analysis of employee benefits expense by function		
Operating costs	$ 37,712	$ 48,942
Selling and marketing expenses	50,640	46,091
General and administrative expenses	234,353	215,095
Research and development expenses	634,408	943,532
	$ 957,113	$ 1,253,660

f. Employees' compensation and remuneration of directors and supervisors

VIA stipulates to distribute compensation to employees and remuneration to directors and supervisors at the rates no less than 5% and no higher than 1%, respectively, of net income offsetting the deficit and before tax. The compensation of employees and the remuneration of directors for the years ended December 31, 2021 and 2020, which were approved by the Company's board of directors on March 8, 2022 and on March 22, 2021, are as follows:

Accrual rate

	For the Year Ended December 31	
	2021	**2020**
Compensation of employees	5.11%	8.84%
Remuneration of directors	0.02%	0.02%

Amount

	For the Year Ended December 31, 2021		For the Year Ended December 31, 2020	
	Cash	**Stock**	**Cash**	**Stock**
Compensation of employees	$ 220,000	$ -	$ 466,619	$ -
Remuneration of directors	1,000	-	1,000	-

If there is a change in the amounts after the annual financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

There was no difference between the amounts of the employees' compensation and the remuneration of directors approved by the board of directors and the amounts recognized in the financial statements for the years ended December 31, 2020 and 2019.

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	
	2021	**2020**
Inventories (included in operating costs)	$ 103,705	$ 97,954

25. 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	
	2021	2020
Current tax		
In respect of the current year	$ -	$ 87,076
Income tax on unappropriated earnings	119,531	-
Deferred tax		
In respect of the current year	4,993	4,123
Income tax expense recognized in profit or loss	$ 124,524	$ 91,199

A reconciliation of accounting profit and income tax expense is as follows:

	For the Year Ended December 31	
	2021	2020
Profit before tax from continuing operations	$ 4,085,468	$ 4,813,845
Income tax expense calculated at the statutory rate (20%)	$ 817,093	$ 962,769
Tax-exempt income	(817,093)	(962,769)
Income tax withheld in other jurisdictions (Note)	-	87,076
Income tax on unappropriated earnings	119,531	-
Unrealized deductible temporary differences	4,993	4,123
Income tax expense recognized in profit or loss	$ 124,524	$ 91,199

Note: Income tax withheld in other jurisdictions:

	For the Year Ended December 31	
	2021	2020
Overseas income - gain on disposal of intangible assets	$ -	$ 870,761
Rate of income tax withheld	10%	10%
Income tax expense	$ -	$ 87,076

b. Current tax assets

	December 31	
	2021	2020
Current tax assets		
Income tax refund receivable	$ 26	$ 178
Current tax liabilities		
Income tax payable	$ 119,488	$ 87,076

c. Deferred tax liabilities

The movements of deferred tax liabilities were as follows:

For the year ended December 31, 2021

	Opening Balance	Recognized in Profit or Loss	Closing Balance
Deferred tax liabilities			
Temporary differences			
Investment properties	$ (137,237)	$ (4,993)	$ (142,230)

For the year ended December 31, 2020

	Opening Balance	Recognized in Profit or Loss	Closing Balance
Deferred tax liabilities			
Temporary differences			
Investment properties	$ (133,114)	$ (4,123)	$ (137,237)

d. Unused loss carryforward

The amounts of loss carryforward as of December 31, 2021 were as follows:

Expiry Year	Unused Amount
2022	$ 367,956
2023	2,240,956
2024	800,100
2025	712,061
2026	2,398,418
2027	1,455,602
2028	781,797
2029	1,566,363
2030	179,148
2031	244,046
	$ 10,746,447

e. Income tax assessments

The Company’s tax returns through 2019 have been assessed and approved by the tax authorities.

26. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31	
	2021	**2020**
Basic earnings per share	$ 8.01	$ 9.57
Diluted earnings per share	$ 7.84	$ 9.36

The earnings and weighted average number of ordinary shares outstanding for the computation of earnings per share were as follows:

Net Profit for the Years

	For the Year Ended December 31	
	2021	**2020**
Profit for the year attributable to owners of the Company	$ 3,960,944	$ 4,722,646

Shares

Unit: In Thousands of Shares

	For the Year Ended December 31	
	2021	**2020**
Weighted average number of ordinary shares used in computation of basic earnings per share	494,436	493,360
Effect of potentially dilutive ordinary shares		
Employee share options	5,046	2,660
Employees' compensation	5,421	8,738
Weighted average number of ordinary shares used in the computation of diluted earnings per share	504,903	504,758

27. SHARE-BASED PAYMENT ARRANGEMENTS

Employee Share Option Plan

Qualified employees of the Company and its subsidiaries were granted 5,000 thousand, 790 thousand and 4,210 thousand options in March 2020, October 2019 and November 2018, respectively. Each option entitles the holder to subscribe for one ordinary shares of the Company. The options granted are valid for 10 years and exercisable at certain percentages after the second anniversary from the grant date.

Years from the Grant Date	Accumulated Subscribed Percent
2	50%
3	75%
4	100%

The options were granted at an exercise price equal to the closing price of the Company's ordinary shares listed on the Taiwan Stock Exchange on the grant date. For any subsequent changes in the Company's capital, the exercise price is adjusted accordingly.

Information on employee share options was as follows:

	For the Year Ended December 31			
	2021		2020	
	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	9,244	$ 22.00	5,000	$ 26.43
Options granted	-	-	5,000	18.00
Options exercised	(1,255)	26.80	(756)	24.90
Options expired	(100)	24.90	-	-
Balance at December 31	7,889	21.20	9,244	22.00
Options exercisable, end of the year	1,442		1,349	
Weighted-average fair value of options granted (NT$)			$ 9.03	

The weighted average share price of the options exercised in 2021 was $26.80.

Information on outstanding options is as follows:

	December 31	
	2021	**2020**
Range of exercise price (NT$)	$18.00-$34.60	$18.00-$34.60
Weighted-average remaining contractual life (in years)	7.81	8.67

Options granted in March 2020 and October 2019, were priced using the Black-Scholes pricing model and options granted in November 2018 were priced using the Binomial option pricing model, and the inputs to the model are as follows:

	March 2020	**October 2019**	**November 2018**
Grant-date share price (NT$)	$18.00	$34.60	$24.90
Exercise price	$18.00	$34.60	$24.90
Expected volatility	51.61%-53.28%	52.06%-53.01%	54.67%
Expected life (in years)	6-7	6-7	7-8
Expected dividend yield	-	-	-
Risk-free interest rate	0.5122%-0.5162%	0.6395%-0.6603%	0.9068%

Expected volatility was based on the average of annual standard deviation historical share price volatility over the past 6-10 years.

The Company recognized compensation cost of $29,887 thousand and $39,776 thousand for the years ended December 31, 2021 and 2020 respectively.

28. EQUITY TRANSACTION WITH THE SUBSIDIARY

To cooperate with VLI's plan for issuing shares before listing on the Taiwan Stock Exchange, VIA gave up its preemptive right for VLI's issuance of shares in the fourth quarter of 2020, and offered some of its shares in VLI to the underwriters for over-allotment option, which reduced its equity interests in VLI from 66.33% to 57.55%.

VLI employees exercised stock options in December 2021, which reduced the parent's interest in VLI from 57.55% to 57.11%.

The above transactions were accounted for as equity transaction and the Company recognized capital surplus - change in percentage of ownership interests in the subsidiary of $7,284 thousand and $1,009,033 thousand in 2021 and 2020, since the Company did not lose control over the subsidiary. Refer to Note 31 to the consolidated financial statements for the year ended December 31, 2021 for the details.

29. NON-CASH TRANSACTIONS

For the years ended December 31, 2021 and 2020, the Company entered into the following non-cash investing activities which were not reflected in the parent company only statements of cash flows:

a. The Company's acquisition of property, plant and equipment in the amount of $14,503 thousand and $17,237 thousand were not yet paid as of December 31, 2021 and 2020, respectively.

b. The Company's acquisition of intangible assets - computer software in the amount of $12,882 thousand and $10,179 thousand were not yet paid as of December 31, 2021 and 2020, respectively.

30. CAPITAL MANAGEMENT

The Company manages its capital to ensure it will be able to continue as going concerns while maximizing the return to stakeholders by optimizing the debt and equity balance. The Company's overall strategy remains unchanged from 2020.

The capital structure of the Company consists of net liabilities (borrowings minus cash and cash equivalents) and the equity of the Company (comprising issued capital, capital surplus, retained earnings and other equity).

The Company is not subject to any externally imposed capital requirements.

31. FINANCIAL INSTRUMENTS

Fair Value of Financial Instruments

a. Financial instruments not measured at fair value

   The management considers that the carrying amounts of financial assets and financial liabilities not measured at fair value were approximate amounts of their fair value or the fair value cannot be measured reliably.

b. Fair value measurements recognized in the parent company only balance sheets

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

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

- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic and overseas listed shares	$ 536,323	$ -	$ -	$ 536,323
Domestic and overseas unlisted stocks	-	-	40,462	40,462
Domestic private convertible bonds	-	-	199,955	199,955
	$ 536,323	$ -	$ 240,417	$ 776,740

December 31, 2020

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic and overseas listed shares	$ 172,365	$ -	$ -	$ 172,365
Domestic and overseas unlisted stocks	-	-	36,502	36,502
	$ 172,365	$ -	$ 36,502	$ 208,867

There were no transfers between Levels 1 and 2 for the years ended December 31, 2021 and 2020.

c. Reconciliation of Level 3 fair value measurements of financial instruments

For the year ended December 31, 2021

Financial Assets	Financial Assets at FVTPL
Balance at January 1	$ 36,502
Addition	200,000
Recognized in profit or loss (included in other gains and losses)	3,915
Balance at December 31	$ 240,417

For the year ended December 31, 2020

Financial Assets	Financial Assets at FVTPL
Balance at January 1	$ 32,753
Recognized in profit or loss (included in other gains and losses)	3,923
Transfers out of Level 3	(174)
Balance at December 31	$ 36,502

d. Valuation techniques and assumptions applied for the purpose of measuring fair value

The fair values of financial assets and financial liabilities were determined as follows:

1) The fair values of financial assets and financial liabilities with standard terms and conditions which are traded on active liquid markets are determined with reference to quoted market prices (includes listed corporate callable bonds, shares, draft, corporate bonds and bonds without maturity date). If such quoted prices are not available, valuation techniques are applied. The estimates and assumptions used by the Company are consistent with those that market participants would use in setting a price for the financial instrument;

2) The fair values of derivative instruments were calculated using quoted prices. If such quoted prices are not available, a discounted cash flow analysis was performed using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives. The estimates and assumptions used by the Company were consistent with those that market participants would use in setting a price for the financial instrument;

3) Valuation techniques and inputs applied for Level 2 fair value measurement

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 Overseas beneficiary certificates	Market approach: 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.
Domestic private convertible bonds	Calculated by adding the conversion right to the value of the pure bond: The value of the pure bond is calculated by adding the interest compensation of the bond at the maturity date to the discounted value of the bond. In addition, the value of the conversion right is calculated based on the Black-Scholes-Merton option pricing model with the exercise price, the spot price of the conversion target, volatility rate, risk-free interest rate, cash dividend rate and duration as the evaluation parameters in the issuance method.

Investments in equity instruments are categorized within Level 3 of the fair value measurement hierarchy due to the lack of quoted prices in an active market; the fair values of financial assets categorized into Level 3 are based on valuations provided by market participants or quoted prices of the counterparty. Quantitative information is not disclosed since the relationship between significant unobservable inputs and the fair value cannot be fully controlled.

5) Valuation process for level 3 fair value measurement

The Company evaluates and confirms the reliability, independence and correspondence of the information sources of the estimated value. Appropriate adjustments are made to ensure the rationality of the valuation presented.

6) Sensitivity analysis of the fair value regarding reasonable and possible alternative assumption within Level 3

No sensitivity analysis using alternative assumptions is done since the valuation of the financial instruments did not adopt self-estimation model.

Categories of Financial Instruments

	December 31	
	2021	**2020**
Financial assets		
Financial assets at FVTPL	$ 776,740	$ 208,867
Financial assets at amortized cost (Note 1)	748,065	1,530,220
Financial liabilities		
Financial liabilities at amortized cost (Note 2)	4,876,981	4,149,615

Note 1: The balances included financial assets at amortized cost, which comprise cash and cash equivalents, 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), lease liabilities, long-term bills payable (including maturity in one year), long-term borrowings (including maturity in one year) and guarantee deposits received.

Financial Risk Management Objectives and Policies

The Company's financial instruments mainly include equity investments, accounts receivable, accounts payable, lease liabilities and long-term debt. The Company's Department of Finance and Accounting provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through analyzing the exposures by degree and magnitude of risks. These risks include market risk (including foreign exchange rate risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company sought to minimize the effects of these risks by using derivative financial instruments and non-derivative financial instruments to hedge risk exposures. The use of financial derivatives was governed by the Company's policies approved by the board of directors, which provide written principles on foreign exchange risk, interest risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity.

a. Market risk

The Company's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (1) below) and interest rates (see (2) below).

There has been no change to the Company's exposure to market risks or the manner in which these risks were managed and measured.

1) Foreign currency risk

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the year were set out in Note 36:

Sensitivity analysis

The Company was mainly exposed to the United States dollar (USD).

The following table shows the Company's sensitivity to a 2% increase and decrease in New Taiwan dollars (the functional currency) against the relevant foreign currencies. A 2% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items and foreign currency forward contracts, and adjusts their translation at the end of the reporting period for a 2% change in foreign currency rates.

	Currency USD impact	
	For the Year Ended December 31	
	2021	**2020**
Profit or loss	$ 885	$ 346
Equity	235,645	160,055

2) Interest rate risk

The carrying amounts of the Company's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows.

	December 31	
	2021	**2020**
Fair value interest rate risk		
Financial assets	$ 22,605	$ 189,072
Financial liabilities	10,787	7,786
Cash flow interest rate risk		
Financial liabilities	3,216,484	3,034,101

Sensitivity analysis

The sensitivity analyses below were determined based on the Company's exposure to interest rates for both derivative and non-derivative instruments at the end of the reporting period. The financial assets exposed into interest rate risk were mainly certificates of time deposits. Because the interest rate was determined when depositing, the financial assets abovementioned were not affected by interest rate risk and excluded from the sensitivity analysis. The interest rate of financial liabilities was determined when borrowing, the financial liabilities were not affected by interest rate risk and excluded from the sensitivity analysis. For the financial liabilities exposed into cash flow risk (with floating interest rate), the Company made the assumption that the financial liabilities were outstanding during the reporting period. A 0.1% basis point increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 0.1% basis points higher/lower and all other variables were held constant, the Company's before-tax profit for the years ended December 31, 2021 and 2020 would have increased/decreased by $3,216 thousand and $3,034 thousand, respectively, which was mainly attributable to the Company's exposure to interest rates on its variable-rate bank borrowings.

3) Other price risk

The Company was exposed to equity price risk through its investments in listed equity securities. The Company's equity price risk was mainly concentrated on equity instruments traded in the Taiwan Stock Exchange Corporation and GreTai Securities Market.

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, 2021 and 2020 would have increased/decreased by $77,674 thousand and $20,887 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL.

b. Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. As at the end of the reporting period, the Company's maximum exposure to credit risk, which will cause a financial loss to the Company due to failure of counterparty to discharge an obligation and financial guarantees provided by the Company, could arise from:

1) The carrying amount of the respective recognized financial assets as stated in the balance sheets;
2) The amount of contingent liabilities in relation to financial guarantee issued by the Company.

The Company adopted a policy of dealing only with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Company uses other publicly available financial information and its own trading records to rate its major customers. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

Accounts receivable from three largest customers amounted to $140,460 thousand and $90,863 thousand as of December 31, 2021 and 2020, respectively. The Company's concentration of credit risk of 69% and 84% in total accounts receivable as of December 31, 2021 and 2020, respectively, was related to the three largest customers in the Company.

c. Liquidity risk

The Company manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Company's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

1) Liquidity and interest risk rate tables for non-derivative financial liabilities

The following table detailed the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables had been drawn up based on the undiscounted cash flows of financial liabilities. The tables included both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount was derived from the interest rate curve at the end of the reporting period.

December 31, 2021

	Weighted Average Effective Interest Rate (%)	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	Total
Non-derivative financial liabilities						
Non-interest bearing	-	$ 438,642	$ 461,840	$ 753,258	$ 6,757	$ 1,660,497
Lease liabilities	1.70	330	1,530	5,132	3,795	10,787
Variable interest rate liabilities	1.46	460,000	-	490,000	2,266,484	3,216,484
		$ 898,972	$ 463,370	$ 1,248,390	$ 2,277,036	$ 4,887,768

December 31, 2020

	Weighted Average Effective Interest Rate (%)	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	Total
Non-derivative financial liabilities						
Non-interest bearing	-	$ 160,263	$ 386,265	$ 562,948	$ 6,038	$ 1,115,514
Lease liabilities	1.70	-	1,004	4,496	2,286	7,786
Variable interest rate liabilities	1.44	30,000	-	90,000	2,914,101	3,034,101
		$ 190,263	$ 387,269	$ 657,444	$ 2,922,425	$ 4,157,401

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	
	2021	2020
Unsecured bank loan facility:		
Amount used	$ 1,350,000	$ 840,000
Amount unused	-	280,000
	$ 1,350,000	$ 1,120,000
Secured bank loan facility:		
Amount used	$ 1,867,000	$ 2,195,000
Amount unused	853,000	645,000
	$ 2,720,000	$ 2,840,000

32. RELATED-PARTY TRANSACTIONS

Details of transactions between the Company and other related parties were as follows:

a. The names and relationships of related parties

Related Party	Related Party Category
Vate Technology Co., Ltd.	Subsidiary
VIA Labs, Inc.	Subsidiary
VIA Next Technologies Co., Ltd. (Note 2)	Subsidiary
VIA Technologies (Shenzhen) Co., Ltd.	Subsidiary
VIA Technologies, Inc.	Subsidiary
VIA CPU Platform Co., Ltd.	Subsidiary
VIA Technologies (China) Co., Ltd.	Subsidiary
VIA Technologies (Shanghai) Co., Ltd.	Subsidiary
VIA Technologies Japan K.K.	Subsidiary
Via Technologies (HK) Inc. Limited	Subsidiary
S3 Graphics Inc.	Subsidiary

(Continued)

Related Party	Related Party Category
VIA CPU Platform (HK) Limited	Subsidiary
VIA CPU Platform Trading (HK) Limited	Subsidiary
Centaur Technology, Inc.	Associate
VIA Telecom Co., Ltd.	Associate
Catchplay Media Holdings Ltd.	Associate
VIA Alliance Technology, Inc.	Other related party/associate
Shanghai Zhaoxin Semiconductor Co., Ltd. (Note 1)	Other related party/associate
Fortune Core Technology Co., Ltd. (Note 1)	Other related party
Chander Electronics Corp.	Other related party
HTC Corporation	Other related party
Dopod International Corp.	Other related party
Xander International Corp.	Other related party
Chinese Christian Faith and Love Foundation	Other related party
Way Lien Technology Inc.	Other related party
HTC Communication Co., Ltd.	Other related party
Prime Technology (Guangzhou) Co., Ltd.	Other related party
First International Computer, Inc.	Other related party
AREX (TWN) International Co., Ltd.	Other related party
Canaan Company	Other related party
Chinese Human Resources Institute of Social Technology Inc.	Other related party
Chiuan-En Foundation	Other related party
FHL Creative Ltd.	Other related party

(Concluded)

Note 1: The Company accounted for the remaining interest of Shanghai Zhaoxin Semiconductor Co., Ltd. as financial assets at FVTPL instead of using the equity method in March 2021 since it ceased to have significant influence over it. Fortune Core Technology Co., Ltd. and VIA Alliance Technology, Inc. are direct and indirect 100% subsidiaries of Shanghai Zhaoxin Semiconductor Co., Ltd. Starting from March 2021, the abovementioned companies were changed from associate to related party in substance.

Note 2: The Company had organizational restructuring and transferred all shares of VIA CPU Platform (Taiwan) Co., Ltd. held by VIA CPU Platform Co., Ltd to VIA in July 2021. Starting from July 2021, the relationship between the Company and the abovementioned companies has been changed from an indirect subsidiary to direct subsidiary. VIA CPU Platform (Taiwan) Co., Ltd. was renamed as VIA Next Technologies, Inc. in August 2021.

b. Operating transactions

	For the Year Ended December 31	
	2021	2020
Sales		
Subsidiaries		
VIA Technologies, Inc.	$ 272,648	$ 659,551
Others	69,205	12,738
Associates		
Shanghai Zhaoxin Semiconductor Co., Ltd.	265,220	8,797
Other related parties		-
Shanghai Zhaoxin Semiconductor Co., Ltd.	1,051,258	-
Others	152	-
	$ 1,658,483	$ 681,086

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	
	2021	**2020**
Other operating income		
Subsidiaries		
VIA CPU Platform (HK) Limited	$ -	$ 113,381
VIA CPU Platform Trading (HK) Limited	-	113,920
Others	47,131	30,362
Other related parties		
Shanghai Zhaoxin Semiconductor Co., Ltd.	213,586	-
	$ 260,717	$ 257,663

The Company entered into technical support and supervision agreements with related parties and recognized service income according to agreements.

	For the Year Ended December 31	
	2021	**2020**
Purchase		
Subsidiaries		
VIA CPU Platform Trading (HK) Limited	$ 2,411	$ 125,508
Others	128,882	15,242
Associates	2,917	11,990
Other related parties	88,551	42,433
	$ 222,761	$ 195,173

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	
	2021	**2020**
Subsidiaries		
VIA Technologies, Inc.	$ 46,443	$ 76,097
VIA Next Technologies Co., Ltd.	74,158	-
Others	1,665	2,503
	$ 122,266	$ 78,600

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	
	2021	2020
Subsidiaries	$ 46,337	$ 15,516
Associates	-	2,574
Other related parties	33,054	9,822
	$ 79,391	$ 27,912

The outstanding accounts payable to related parties are unsecured and will be settled in cash. The outstanding accounts receivable from related parties are unsecured.

c. Compensation of key management personnel

	For the Year Ended December 31	
	2021	2020
Short-term benefits	$ 62,010	$ 43,669
Share-based payment	4,822	7,661
Post-employment benefits	855	864
Other benefits	240	200
	$ 67,927	$ 52,394

The remuneration of directors and key executives, as determined by the remuneration committee, was based on the performance of individuals and market trends.

d. Other transactions with related parties

1) Lease items - rental income

	For the Year Ended December 31	
	2021	2020
Subsidiaries		
VIA Next Technologies Co., Ltd.	$ 30,385	$ 30,455
VIA Labs, Inc.	12,313	10,190
Others	1,505	-
Other related parties	2,297	2,099
	$ 46,500	$ 42,744

The Company rented out part of its land and building and improvements to the related parties. Rental prices were determined based on the prevailing rates in the surrounding area.

2) Other income

	For the Year Ended December 31	
	2021	2020
Subsidiaries		
Centaur Technology, Inc.	$ 242,419	$ -
Others	15,117	11,887
Associates	2,204	2,285
Other related parties	2,190	16,245
	$ 261,930	$ 30,417

The Company has entered into management support and supervision agreements. The support revenue accounted for based on these agreements were recognized as other income, others were miscellaneous and samples revenue.

3) Other receivables

	December 31	
	2021	2020
Subsidiaries		
VIA Labs, Inc.	$ 3,888	$ 6,629
VIA Next Technologies Co., Ltd.	9,997	1,918
Others	-	8
Associates		
Shanghai Zhaoxin Semiconductor Co., Ltd.	-	870,761
Others	-	210
Other related parties		
Shanghai Zhaoxin Semiconductor Co., Ltd.	2,392	-
Others	2,019	8,084
	$ 18,296	$ 887,610

4) Other payables

	December 31	
	2021	2020
Subsidiaries	$ 362	$ 736
Other related parties	2,018	2,803
	$ 2,380	$ 3,539

5) Guarantee deposit

	December 31	
	2021	2020
Subsidiaries		
VIA Next Technologies Co., Ltd.	$ 4,980	$ 4,980
Others	632	-
Other related parties	164	77
	$ 5,776	$ 5,057

6) Research expenses

	For the Year Ended December 31	
	2021	2020
Subsidiaries	$ 304	$ 861
Other related parties	1,775	8,610
	$ 2,079	$ 9,471

7) Advertisement expenses

	For the Year Ended December 31	
	2021	2020
Subsidiaries	$ 1,665	$ 1,983

8) Advance receipts

	For the Year Ended December 31	
	2021	2020
Subsidiaries	$ 53	$ 53
Associates	-	24
Other related parties		
Shanghai Zhaoxin Semiconductor Co., Ltd.	95,851	-
Others	24	-
	$ 95,928	$ 77

The Company's advance receipts mainly refer to the advance receipt of technical service income and advance receipt of goods from the abovementioned related parties.

9) Property transactions

For business cooperation and development, the board of directors of VIA on October 26, 2020 approved that VIA sold intellectual property rights (excluding patent rights) of chipsets to Shanghai Zhaoxin Semiconductor Co., Ltd., the amount was $870,761 (US$30,574 thousand) which was determined based on the evaluation report issued by Taiwan Enterprise Asset Appraisal Consulting Co., Ltd., and was reviewed by the accountant JUAN, CHIUNG-HUA, of YuanHe Certified Public Accountants with reasonableness opinion. As the Company has a significant influence on Shanghai Zhaoxin Semiconductor Co., Ltd., the unrealized gain of $128,437 thousand (US$4,510 thousand) would be eliminated in accordance with the 14.75% of ownership and recognized as deduction of investments accounted for using the equity method. The unrealized gain will be recognized when Shanghai Zhaoxin Semiconductor Co., Ltd. amortizes the technological asset based on its useful life. The payment recognized as other receivables-related parties will be paid in two installments in 2021. Shanghai Alliance Investment Ltd., the parent company of Shanghai Zhaoxin Semiconductor Co., Ltd., would issue a payment guarantee letter as a joint liability guarantee. The first installment had been paid on March 15, 2021. In the first quarter of 2021, the Company ceased to have significant influence over Shanghai Zhaoxin Semiconductor Co., Ltd. and recognized the remaining unrealized gain as gain on disposal of intangible assets. The amount was received until September 30, 2021.

33. ASSETS PLEDGED AS COLLATERAL

The following assets were provided as collateral for bank borrowings and court as follows:

	December 31	
	2021	2020
Financial assets at fair value through profit or loss - non-current	$ -	$ 22,349
Property, plant and equipment, net	663,000	667,188
Investment properties	1,202,804	1,178,132
Other financial assets	-	112,044
	$ 1,865,804	$ 1,979,713

34. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

Significant Commitments

a. As of December 31, 2021, the amount of customs duties confirmed by banks for importing goods was $3,000 thousand.

b. The Company and United Communications (Holdings) Corporation (UCC) had controversial joint sales agreement and recognized a provision for the litigation as other payables based on the principle of conservatism. Then the Company paid US$4,585 thousand and HK$9,091 thousand to UCC in the first quarter of 2021 after reaching a settlement on March 15, 2021, and UCC should not make any claims against the Company in this matter.

c. Refer to Note 37 Table 2 for endorsements/guarantees provided.

35. 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 Company's clients have implemented quarantine and travel restrictions. The Company is continuously assessing the impact of the epidemic and will adjust its operating strategies accordingly. Except for the above, the epidemic did not have any material impact on the Company's financial position and financial performance as of the date the financial statements were authorized for issue.

36. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Company's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies and the related exchange rates between foreign currencies and respective functional currencies were as follows:

December 31, 2021

	Foreign Currency	Exchange Rate
Financial assets		
Monetary items		
USD	$ 19,770	27.68
RMB	1,549	4.34
Investments accounted for using the equity method		
USD	425,660	27.68
Financial liabilities		
Monetary items		
USD	18,171	27.68
RMB	18	4.34
HKD	32	3.55

December 31, 2020

	Foreign Currency	Exchange Rate
Financial assets		
Monetary items		
USD	$ 7,393	28.48
RMB	831	4.37
HKD	375	3.67
Investments accounted for using the equity method		
USD	280,995	28.48
Financial liabilities		
Monetary items		
USD	6,786	28.48
RMB	27	4.37
HKD	53	3.67

The foreign currency exchange (loss) gains (including realized and unrealized) of the Company for the years ended December 31, 2021 and 2020 were $(4,931) thousand and $472 thousand, respectively. Due to the wide variety of foreign currency transactions and the functional currencies of the Company, it is impossible to disclose all the significant net foreign exchange gain (loss).

37. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions and b. Information on investees:

1) Financing provided to others (Table 1)

2) Endorsements/guarantees provided (Table 2)

3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (Table 3)

4) Marketable securities acquired or disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital (Table 4)

5) Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital (None)

6) Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital (None)

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 5)

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital (None)

9) Trading in derivative instruments (Note 7)

10) Intercompany relationships and significant intercompany transactions (Table 6)

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 7)

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 7):

   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 8)

38. SEGMENT INFORMATION

Refer to the consolidated financial statements for the year ended December 31, 2021.

TABLE 1

VIA TECHNOLOGIES, INC.

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2021
(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	$ 242,548 (US$ 8,500)	$ 235,280 (US$ 8,500)	$ 235,280 (US$ 8,500)	0.19-0.91	Short-term financing	$ -	Operating capital	$ -	None	None	$ 298,116	$ 596,232	

Note 1: The ending balance was based on the exchange rate of the closing price at the end of the period (December 31, 2021).

Note 2: The Company indirectly held 100% of the voting shares of VIA Technologies, Inc., which is a foreign company. The financing limit of financing provided by VIA Technologies, Inc. for each borrower is 50% of the lender’s net asset value on its current financial statements. The aggregate financing limit is 100% of the lender’s net asset value on its current financial statements.

VIA TECHNOLOGIES, INC.

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2021
(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 CPU Platform Trading (HK) Limited	b	$ 2,518,189	$ 250,000	$ 250,000	$ -	$ -	1.99	$ 6,295,474	Y	N	N	Note 8
		VIA Next Technologies, Inc.	b	2,518,189	30,000	30,000	-	-	0.24	6,295,474	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 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.

MARKETABLE SECURITIES HELD
DECEMBER 31, 2021
(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, 2021				Note
				Number of Shares (In Thousands)	Carrying Amount	Percentage of Ownership (%)	Fair Value	
VIA Technologies, Inc.	Listed company							
	HTC Corporation	The chairman of the company and the chairman of the Company are spouse	Financial assets at fair value through profit or loss - current	3,751	$ 318,081	0.46	$ 318,081	
	Xander International Corp.	Same board chairman	〃	4,559	213,811	5.02	213,811	
	First International Computer, Inc.	The chairman of the company and the chairman of the Company are second-degree relatives	〃	8	636	-	636	
	Star Comgistic Capital Co., Ltd.	None	〃	144	3,717	0.11	3,717	
	IQE PLC	〃	〃	6	78	-	78	
	Unlisted company							
	Openfind Information Technology Inc.	None	Financial assets at fair value through profit or loss - non-current	863	35,759	6.72	35,759	
	Strawberry Software Inc.	〃	〃	40	99	3.97	99	
	Digitimes Inc.	〃	〃	158	2,498	0.84	2,498	
	Techgains Pan Pacific Corp.	〃	〃	500	2,106	1.47	2,106	
	United Communication (Holdings) Corporation	〃	〃	4	-	8.00	-	There is no clear objective evidence to estimate the value of the stock, so it is calculated as 0.
	Convertible bonds							
	Ennoconn Corporation	None	Financial assets at fair value through profit or loss - non-current	2	199,955	-	199,955	
VIA Labs, Inc.	Unlisted company							
	KikaGo Limited	None	Financial assets at fair value through other comprehensive income - non-current	2	6,636	19.05	6,636	
	EverPro (Wuhan) Technologies Joint Stock Limited Company	The Company is a director of the company	Financial assets at fair value through profit or loss - non-current	4,528	54,533	2.28	54,533	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	Balance as of December 31, 2021 Number of Shares (In Thousands)	Carrying Amount	Percentage of Ownership (%)	Fair Value	Note
	Beneficiary certificates							
	Ally Bridge Group-WTT Global Life Science Capital Partners, L. P.	None	Financial assets at fair value through other comprehensive income - non-current	-	$ 175,085	1.29	$ 175,085	
	Ally Bridge Group-CMRCO, L.P.	〃	〃	-	82,512	11.06	82,512	
	Wise Road Industry Investment Fund I, L.P.	〃	〃	-	204,052	1.73	204,052	
	Convertible bonds							
	Ennoconn Corporation	None	Financial assets at fair value through profit or loss - non-current	1	99,977	-	99,977	
VIABASE CO., LTD.	Unlisted company							
	3 CEMS Corp.	The chairman of the company and the chairman of the Company are second-degree relatives	Financial assets at fair value through other comprehensive income - non-current	9,585	45,005	1.00	45,005	
	MEDIS MEDIA PTY LTD.	The chairman of the company and the chairman of the Company are third-degree relatives	〃	2	11,840	14.29	11,840	
TUNGBASE TECHNOLOGIES LTD.	Unlisted company							
	IPILOT INCORPORATED	None	Financial assets at fair value through profit or loss - non-current	750	-	8.95	-	
VIATECH CO., LTD.	Listed company							
	Ezconn Corporation	None	Financial assets at fair value through profit or loss - current	60	2,173	0.09	2,173	
	Unlisted company							
	EGTRAN	None	Financial assets at fair value through profit or loss - non-current	97	-	0.12	-	
	Beneficiary certificates							
	Ally Bridge Group-CMRCO, L.P.	None	Financial assets at fair value through other comprehensive income - non-current	-	94,400	12.66	94,400	
Vate Technology Co., Ltd.	Unlisted company							
	SITEC SEMICONDUCTOR LIMITED	None	Financial assets at fair value through other comprehensive income - non-current	130,341	50,585	7.75	50,585	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	Balance as of December 31, 2021				Note
				Number of Shares (In Thousands)	Carrying Amount	Percentage of Ownership (%)	Fair Value	
VIA Technologies (HK) Inc. Ltd.	Unlisted company							
	EverPro (Wuhan) Technologies Joint Stock Limited Company	The Company is a director of the company	Financial assets at fair value through profit or loss - non-current	8,164	$ 98,302	4.11	$ 98,302	
	Shanghai Zhaoxin Semiconductor Co., Ltd.	〃	〃	-	608,393	4.04	608,393	Note
VIA Technologies (Shanghai) Co., Ltd.	Unlisted company							
	EverPro (Wuhan) Technologies Joint Stock Limited Company	The Company is a director of the company	Financial assets at fair value through profit or loss - non-current	1,240	14,829	0.62	14,829	
	Shanghai Zhaoxin Semiconductor Co., Ltd.	〃	〃	-	342,567	2.24	342,567	Note
VIA Technologies (China) Co., Ltd.	Unlisted company							
	Shanghai Zhaoxin Semiconductor Co., Ltd.	The Company is a director of the company	Financial assets at fair value through profit or loss - non-current	-	160,996	1.05	160,996	Note
	Shenghai Zhixin (Xiamen) Intelligent Technology Co., Ltd.	〃	〃	-	477	10.00	477	
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	-	16,327	0.11	16,327	Note

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, refer to Note 7.

(Concluded)

VIA TECHNOLOGIES, INC.

MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2021
(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	32,602	$ 1,412,697	15,391	$ 426,022	-	$ -	$ -	Equity method of profit or loss $ 1,462,751 Exchange differences on translating foreign operations (66,309)	47,993	$ 3,235,161
VIA CPU Platform Co., Ltd.	VIA CPU Platform (HK) Limited	〃	VIA CPU Platform (HK) Limited	Subsidiary	10	(12,568)	166,184	596,201	-	-	-	Equity method of profit or loss (568,328) Exchange differences on translating foreign operations 2,929	166,194	18,234

TABLE 5

VIA TECHNOLOGIES, INC.

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2021
(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	$ (1,316,478)	(57)	2-3 months	Similar to non-related party transaction.	Same as general customers	$ -	-	
	Shanghai Zhaoxin Semiconductor Co., Ltd.	Substantive related party	Service revenue	(213,586)	(70)	2-3 months	〃	Same as general customers	-	-	
VIA Next Technologies, Inc.	Shanghai Zhaoxin Semiconductor Co., Ltd.	Substantive related party	Service revenue	(602,693)	(94)	2-3 months	〃	Same as general customers	-	-	
VIA Technologies, Inc.	VIA Technologies, Inc. (USA)	Subsidiary	Sales	(272,648)	(12)	2-3 months	The sales volume is large, and its price is lower than usual	Same as general customers	46,443	24	
VIA Technologies, Inc. (USA)	VIA Technologies, Inc.	Parent	Purchase	272,648	96	2-3 months	The purchase volume is large, and the price is lower than the general	Same as general vendors	(46,443)	(99)	
VIA Technologies (Shanghai) Co, Ltd.	VIA CPU PLATFORM (HK) LIMITED	Sister	Service revenue	(179,006)	(76)	2-3 months	Similar to non-related party transaction	Same as general customers	-	-	
VIA CPU PLATFORM (HK) LIMITED	VIA Technologies (Shanghai) Co, Ltd.	Sister	Research expense	179,006	32	2-3 months	〃	Same as general vendors	-	-	
VIA Technologies (Shenzhen) Co, Ltd.	VIA CPU PLATFORM (HK) LIMITED	Sister	Service revenue	(158,886)	(95)	2-3 months	〃	Same as general customers	38,081	49	
VIA CPU PLATFORM (HK) LIMITED	VIA Technologies (Shenzhen) Co, Ltd.	Sister	Research expense	158,886	29	2-3 months	〃	Same as general vendors	(38,081)	(61)	

VIA TECHNOLOGIES, INC.

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2021
(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, 2021			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	$ 4,953,132	$ 495,943	$ 810,211	$ -	$ -	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	6,829,126	2,219,285	2,857,227	-	-	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	-	(30)	(30)	-	-	
	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	10,808	18	18	-	-	
	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	-	500	100.00	(175,702) (Note 4)	13,533	(11,873)	-	-	Note 9
	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	364,476	60,519	40,166	-	-	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	388,430	388,430	38,843	57.11	1,715,979	880,311	501,315	174,794	-	Note 3
	VIA Embedded, 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	2,465	-	-	-	-	
	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	20,684	16,510	696	720	-	
VIABASE CO., LTD.	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	106,119	(11,892)	(5,820)	93,078	-	
	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	608,461	11,160	11,160	-	-	
	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	13,038	142	142	-	-	
	SURE VICTORY INVESTMENT LTD.	3rd Floor, J & C Building, P.O. Box 362, Road Town, Tortola, British Virgin Islands	International Investment	10,246	10,246	-	41.00	(32) (Note 7)	(77)	(32)	-	-	
	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	324,201	274,377	11,400	100.00	406,928	746,664	746,664	-	-	
	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	1,457,757	1,031,735	47,993	100.00	3,235,161	1,462,751	1,462,751	-	-	

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2021			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.	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	$ -	$ 5,000	-	-	$ -	$ 13,533	$ 9,994	$ -	$ -	Note 9
	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	3,207,133	2,019,019	2,019,019	-	-	
	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	596,238	37	166,194	100.00	18,234	(568,328)	(568,328)	-	-	
	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	7,402	1,556	1,556	-	-	
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	596,232	10,748	10,748	-	-	
	VIA-CYRIX, INC.	2552 Summit Avenue, Suite 406, Plano, TX75074	Designing, manufacturing and selling of CPU	1,351,734	1,351,734	-	100.00	(57) (Note 7)	(95)	(95)	-	-	
	VIA CPU PLATFORM, INC.	940 Mission Court Fremont, CA 94539	Selling and designing of PC chipset	152	152	5	100.00	7,910	621	621	-	-	
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	2,982,573	500,904	500,904	-	-	
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	395,787	815,290	815,290	-	-	
	S3 Graphics Inc.	940 Mission Court, Fremont, CA 94539	Selling and designing of PC chipset	94,296	94,296	-	100.00	167,122	(287)	(287)	-	-	
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	9,030	453	453	-	-	

Note 1: The net equity value of VIATECH CO., LTD. at the end of the period was $4,955,552 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 $6,829,883 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 VIA Labs, Inc. at the end of the period was $1,828,531 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 $148,092 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 $364,421 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 losses 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 8.

Note 9: The Group restructured its organization and transferred all shares of VIA CPU Platform (Taiwan) Co., Ltd. held by VIA CPU Platform Co., Ltd to the Ultimate in July 2021. VIA CPU Platform (Taiwan) Co., Ltd. was renamed as VIA Next Technologies, Inc. in August 2021.

(Concluded)

TABLE 7

VIA TECHNOLOGIES, INC.

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2021
(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, 2021	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2021	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of December 31, 2021	Accumulated Repatriation of Investment Income as of December 31, 2021	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	$ 78,399	100.00	$ 78,339	$ 228,772	$ -	VIA Technologies, Inc. as the investor
VIA Technologies (China) Co., Ltd.	Selling of CPU and PC chipset	602,374	〃	602,374	-	-	602,374	290,544	100.00	290,544	2,035,529	-	VIA Technologies, Inc. as the investor
VIA Technologies (Shanghai) Co., Ltd.	Selling of graphics chipset	77,340	〃	76,876	-	-	76,876	758,969	100.00	758,969	376,373	-	VIA Technologies, Inc. as the investor
VIA Telecom (Hangzhou) Co., Ltd.	Selling of PC chipset	240,000	〃	118,800	-	-	118,800	35	48.94	17	(369) (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	(1,860)	48.94	(910)	47,333	-	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)	442	-	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	587	100.00	587	7,585	-	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	-	100.00	-	4,342	-	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.	-	-	-	-	(2,474)	40.00	(990)	4,878	-	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: 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.

(Continued)

2.

Company	Accumulated Outflow for Investment in Mainland China as of December 31, 2021	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on Investment
VIA Technologies, Inc	$ 2,672,253 (US$ 52,693) (HK$ 203,653) (CNY 60,215)	$ 2,758,562 (US$ 79,073) (HK$ 25,000) (CNY 60,215)	(Note1)
VIA Labs, Inc.	196,729 (CNY 40,116)	192,492 (CNY 39,126)	$ 1,921,062

Note 1: Since the Company obtained the certificate of qualification for operating its headquarter in August 2019, which was issued by the Industrial Development Bureau, MOEA, the limit on investment in mainland China pursuant to “Principle of investment or Technical Cooperation in Mainland China” is not applicable.

Note 2: The 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.

Note 3: As of December 31, 2021, 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 4: As of December 31, 2021, 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 5: As of December 31, 2021, 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.

Note 6: As of December 31, 2021, the amount that VIA Labs, Inc. and VIA Labs (Shenzhen) Co., Ltd. directly invested in VIA Labs (Beijing), Inc. was less than US$1 million; therefore, the investment will be reported to the Investment Review Committee of the Ministry of Economic Affairs within 6 months.

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.	Investments accounted for using the equity method The Company is a director of the company	Other operating revenues and sales revenues Other operating revenues and sales revenues	$ 365,513 1,768,740	Similar to non-related party transaction Similar to non-related party transaction	60-90 days 60-90 days	Similar to non-related party transaction Similar to non-related party transaction	$ - -	- -	$ - -

4. The direct and indirect endorsement, guarantee or collateral were provided by investment companies in mainland China through a third region. (None)

5. The direct and indirect capital financing were provided with investment companies in mainland China through a third region. (None)

6. Other transactions that have a significant effect on the current period's profit or loss or financial position. (None)

(Concluded)

TABLE 8

VIA TECHNOLOGIES, INC.

INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2021

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Shin Ton Investment Co., Ltd.	48,548,127	9.80
CW & ET Link Inc.	48,114,333	9.71
Hung Mao Investment Co., Ltd.	45,281,073	9.14
Way Chih Investment Co., Ltd.	42,290,638	8.53
Kun Chang Investment Co., Ltd.	41,141,508	8.30
Cher Wang	34,629,196	6.99

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 financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

VIA TECHNOLOGIES, INC.

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VIA TECHNOLOGIES, INC.

STATEMENT OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

Item	Description	Amount
Cash on hand		$ 650
Cash in banks		
Demand deposits	Includes foreign currency deposits US$15,517 thousand × 27.68 EUR49 thousand × 31.32 HK$187 thousand × 3.55 JPY2,208 thousand × 0.24 CNY1,548 thousand × 4.34	492,269
Bonds with repurchase	The interest rate is 0.15% per year	22,605
		$ 515,524

VIA TECHNOLOGIES, INC.

STATEMENT OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS
DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

Name of Financial Instrument	Description	Number of Shares	Face Value	Total Amount	Rate (%)	Acquisition Costs	Fair Value Price	Fair Value Total Amount
Domestic listed								
HTC Corporation		3,751	10	$ 37,510		$ 1,017,841	84.80	$ 318,081
Xander International Corp.		4,559	10	45,589		60,666	46.90	213,811
First International Computer, Inc.		8	10	84		3,379	75.70	636
Star Comgistic Capital Co., Ltd.		144	10	1,441		5,765	25.80	3,717
				84,624		1,087,651		536,245
Foreign listed								
IQE PLC		6	GBX 1	2		1,551	12.89	78
Domestic not listed								
Openfind Information Technology Inc.		863	10	8,635		63,897	41.41	35,759
Strawberry Software Inc.		40	10	397		397	2.49	99
Digitimes Inc.		158	10	1,575		75	15.86	2,498
				10,607		64,369		38,356
Foreign not listed								
Techgains Pan Pacific Corp.		500	US$1	14,990		13,167	4.21	2,106
United Communication (Holdings) Corporation (Note)		4	US$1	123		-		-
				15,113		13,167		2,106
Convertible bonds								
Ennoconn Corporation		2	100,000	200,000		200,000	99,977.36	199,955
				$ 310,346		$ 1,366,738		$ 776,740

Note: These shares were acquired for rendering design service and the value is not to estimate clearly or measure objectively; therefore, it was calculated at zero based on the principle of conservatism.

VIA TECHNOLOGIES, INC.

STATEMENT OF TRADE RECEIVABLES, NET
DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

Client Name	Description	Amount
Client A		$ 19,859
Client B		16,665
Client C		11,058
Client D		5,048
Client E		4,304
Others	The amount less than 5% of this account is aggregated	23,922
		80,856
Less: Allowance for bad debts		(5,465)
		$ 75,391

VIA TECHNOLOGIES, INC.

STATEMENT OF TRADE RECEIVABLES - RELATED PARTIES
DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

Client Name	Description	Amount
VIA Next Technologies, Inc.		$ 74,158
VIA Technologies, Inc.		46,443
Others	The amount less than 5% of this account is aggregated	1,665
		122,266
Less: Allowance for bad debts		(494)
		$ 121,772

VIA TECHNOLOGIES, INC.

STATEMENT OF INVENTORIES
DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

Item	Description	Amount: Cost	Amount: Market Value
Raw materials		$ 901,637	$ 717,209
Work-in-process		383,254	255,415
Finished goods		245,277	29,685
Inventory		60,296	48,213
		1,590,464	$ 1,050,522
Less: Allowance to reduce inventory to market		(539,942)	
		$ 1,050,522	

Note: The Company's inventories are stated at the lower of cost or net realizable value. Inventory write-downs are made item by item, except where it may be appropriate to group similar or related items.

VIA TECHNOLOGIES, INC.

STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars and Thousands Shares Except Unit Price in New Taiwan Dollars)

	Beginning Balance		Increase in Investment		Decrease in Investment		Ending Balance			Market Value or Equity		
Name of Securities	Shares (In Thousands)	Amount	Shares (In Thousands)	Amount	Shares (In Thousands)	Amount	Shares (In Thousands)	Percentage of Ownership (%)	Amount	Unit Price	Total Amount	Collateral
VIATECH CO, LTD (Note 1)	70,202	$ 3,752,410	-	$ 1,319,729	-	$ 119,007	70,202	100.00	$ 4,953,132	70.59	$ 4,955,552	None
VIABASE CO., LTD. (Note 2)	115,383	4,250,297	-	3,204,707	-	625,878	115,383	100.00	6,829,126	59.19	6,829,883	None
Wei-Hon Co, Ltd. (Note 3)	1,000	10,790	-	18	-	-	1,000	100.00	10,808	10.81	10,808	None
Vate Technology Co., Ltd. (Note 4)	52,656	324,310	-	40,166	-	-	52,656	66.28	364,476	6.92	364,421	None
VIA Next Technologies, Inc. (Note 5)	-	-	500	144,552	-	320,254	500	100.00	(175,702)	296.18	148,092	None
Intumit Inc. (Note 6)	1,200	20,598	-	835	-	749	1,200	4.69	20,684	17.24	20,684	None
VIA Labs, Inc. (Note 7)	38,843	1,398,593	-	503,176	-	185,790	38,843	57.11	1,715,979	47.07	1,828,531	None
VIA Embedded, Inc.	260	2,465	-	-	-	-	260	100.00	2,465	9.48	2,465	None
iDOT Computers, Inc. (Note 8)	5,500	-	-	-	-	-	5,500	22.82	-	0.05	248	None
TUNGBASE TECHNOLOGIES LTD. (Note 9)	1,080	31	-	-	-	31	1,080	100.00	-	0.00	-	None
		$ 9,759,494		$ 5,213,183		$ 1,251,709			$ 13,720,968		$ 14,160,684	

Note 1: The increase in the current period is due to the investment income of $810,211 thousand, the capital surplus from the subsidiary of $419,743 thousand under the equity method and the realized gain of downstream trading of $89,775 thousand. The decrease in the current period is due to the cumulative translation adjustment of $115,745 thousand, the unrealized gain of associates $246 thousand and an unrealized loss from equity instruments at fair value through other comprehensive income of $3,016 thousand recognized under the equity method.

Note 2: The increase in the current period is due to the investment income of $2,857,227 thousand, the realized gain of associates of $437 thousand, the realized gain of downstream trading of $38,662 thousand and the reclassification of deferred credits from investment property and right-to-use assets due to organizational restructuring of $308,381 thousand. The decrease in the current period is due to the cumulative translation adjustment of $190,202 thousand, an unrealized loss from equity instruments at fair value through other comprehensive income of $6,054 thousand and the capital surplus from subsidiaries of $429,622 thousand under the equity method.

Note 3: The increase in the current period is due to the investment income of $18 thousand.

Note 4: The increase in the current period is due to the investment income of $40,166 thousand.

Note 5: The increase in the current period is due to additions in investment of $134,560 thousand and the capital surplus from the subsidiary of $9,992 thousand under the equity method. The decrease in the current period is due to the investment loss of $11,873 thousand and the reclassification of deferred credits from investment property and right-to-use assets due to organizational restructuring of $308,381 thousand.

Note 6: The increase in the current period is due to the investment income of $696 thousand and the capital surplus from associates of $139 thousand under the equity method. The decrease in the current period is due to cash dividends of $720 thousand and the cumulative translation adjustment of $29 thousand.

Note 7: The increase in the current period is due to the investment income of $501,315 thousand, the capital surplus from share-based payments of $1,829 thousand and remeasurement of defined benefit plan of $32 thousand. The decrease in the current period is due to the cumulative translation adjustment of $132 thousand, an unrealized loss from equity instruments at fair value through other comprehensive income of $3,580 thousand, cash dividends of $174,794 thousand and the capital surplus from changes in ownership interests in subsidiaries of $7,284 thousand.

Note 8: The Company does not intend to support its operations as its net assets value has become negative during the period, and its carrying value at the end of the period is zero.

Note 9: The decrease in the current period is due to the investment loss of $30 thousand and the cumulative translation adjustment of $1 thousand under the equity method.

VIA TECHNOLOGIES, INC.

STATEMENT OF CHANGES IN RIGHT-OF-USE ASSET
DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

	Beginning Balance	Increase in Current Period	Decrease in Current Period	End of Period Balance	Note
Building	$ 24,152	$ 12,685	$ (14,283)	$ 22,554	

VIA TECHNOLOGIES, INC.

STATEMENT OF CHANGES IN ACCUMULATED DEPRECIATION OF RIGHT-OF-USE ASSET
DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

	Beginning Balance	Increase in Current Period	Decrease in Current Period	End of Period Balance	Note
Building	$ 15,596	$ 9,827	$ (14,038)	$ 11,385	

STATEMENT 9

VIA TECHNOLOGIES, INC.

STATEMENT OF TRADE PAYABLES
DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

Vendor Name	Description	Amount
Vendor A		$ 245,306
Vendor B		122,640
Vendor C		66,650
Others	The amount less than 5% of this account is aggregated	204,779
		$ 639,375

VIA TECHNOLOGIES, INC.

STATEMENT OF TRADE PAYABLES - RELATED PARTIES
DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

Vendor Name	Description	Amount
VIA Technologies (Shenzhen) Co., Ltd.		$ 32,346
Vate Technology Co., Ltd.		13,991
Prime Technology (Guangzhou) Inc.		11,823
First International Computer, Inc.		11,251
Shanghai Zhaoxin Semiconductor Co., Ltd.		9,961
Others	The amount less than 5% of this account is aggregated	19
		$ 79,391

VIA TECHNOLOGIES, INC.

STATEMENT OF LEASE LIABILITIES
DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

Item	Description	Lease Period	Discount Rate	End of Period Balance	Note
Building	Office and parking space	2003.07.04-2024.12.31	1.70%	$ 10,787	

VIA TECHNOLOGIES, INC.

STATEMENT OF OPERATING REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

Item	Description	Amount
Sales revenue		$ 2,483,057
Less: Sales return		(35)
Less: Sales discounts and allowances		(169,624)
Net sales income		2,313,398
Other operating income		265,779
		$ 2,579,177

STATEMENT 13

VIA TECHNOLOGIES, INC.

STATEMENT OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

Item	Amount
Cost of goods sold - manufactured goods	
Raw materials inventory, January 1	$ 428,871
Add: Purchases of raw materials	1,933,780
Less: Raw materials inventory, December 31	(901,637)
Loss on physical inventory	(2,456)
Scrapped	(18,004)
Transfer to other accounts	(6,585)
Raw materials consumed	1,433,969
Manufacturing expenses - self-testing	59,331
Manufacturing expenses - consignment packaging	216,729
Manufacturing expenses - consignment testing	60,556
Manufacturing expenses - consignment processing	55,940
Manufacturing expenses - commissioned grinding	42
Manufacturing cost	1,826,567
Add: Work-in-process goods, January 1	282,601
Less: Work-in-process goods, December 31	(383,254)
Scrapped	(3,049)
Transfer to other accounts	(46,819)
Cost of finished goods	1,676,046
Add: Finished goods, January 1	263,499
Less: Finished goods, December 31	(245,277)
Scrapped	(53,514)
Transfer to other accounts	(673)
Cost of goods sold - manufactured goods	1,640,081
Cost of goods sold - outbound products	
Inventories, January 1	39,467
Add: Purchases	258,935
Other	12,023
Loss: Inventories, December 31	(60,296)
Cost of foreign goods	250,129
Loss of inventory obsolescence	74,567
Inventory valuation losses	29,138
Loss on physical inventory	2,456
Service costs	212,402
	$ 2,208,773

STATEMENT 14

VIA TECHNOLOGIES, INC.

STATEMENT OF MANUFACTURING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

Item	Description	Amount
Manufacturing expenses - self-testing		
Payroll		$ 32,114
Rent		358
Pension		1,813
Supplies		20
Traveling		120
Freight		3,389
Postage and phone/fax		705
Repairs and maintenance		170
Utilities		716
Insurance		2,918
Depreciation		4,168
Meal allowance		824
Miscellaneous purchases		4,204
Taxes		206
Employee benefits		175
Entertainment		3
Testing		2,872
Others		4,556
		59,331
Manufacturing expenses - consignment packaging		216,729
Manufacturing expenses - consignment testing		60,556
Manufacturing expenses - consignment processing		55,940
Manufacturing expenses - commissioned grinding		42
		$ 392,598

VIA TECHNOLOGIES, INC.

STATEMENT OF SELLING AND MARKETING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

Item	Description	Amount
Payroll		$ 44,104
Meal allowance		846
Pension		2,206
Rent		66
Supplies		73
Traveling		853
Freight		982
Postage and phone/fax		1,061
Repairs and maintenance		524
Marketing assistance		339
Advertisement		12,556
Utilities		502
Insurance		3,467
Entertainment		482
Taxes		131
Miscellaneous purchases		816
Depreciation		1,059
Employee benefits		189
Professional service		11,004
Commission		420
Export		1,835
Royalty		21,399
Others		23,938
		$ 128,852

VIA TECHNOLOGIES, INC.

STATEMENT OF GENERAL AND ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

Item	Description	Amount
Payroll		$ 203,494
Meal allowance		3,545
Pension		9,238
Rent		1,204
Supplies		393
Traveling		2,273
Freight		878
Postage and phone/fax		6,594
Repairs and maintenance		8,222
Advertisement		374
Utilities		3,204
Insurance		15,645
Entertainment		763
Taxes		892
Depreciation		21,676
Amortizations		4,341
Employee benefits		821
Professional service		146,575
Training		1,034
Miscellaneous purchases		5,307
Royalty		72
Others		2,900
		$ 439,445

STATEMENT 17

VIA TECHNOLOGIES, INC.

STATEMENT OF RESEARCH AND DEVELOPMENT EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

Item	Description	Amount
Payroll		$ 585,436
Meal allowance		5,947
Pension		17,390
Rent		346
Supplies		109
Traveling		1,190
Freight		142
Postage and phone/fax		6,244
Repairs and maintenance		617
Advertisement		2,034
Utilities		3,520
Insurance		24,902
Entertainment		70
Expendables		7,882
Taxes		1,030
Miscellaneous purchases		22
Depreciation		7,996
Amortizations		3,694
Employee benefits		1,364
Professional service		1,487
Training		2
Materials		15,836
Testing		4,942
Sample		7
Others		10,156
		$ 702,365

VIA TECHNOLOGIES, INC.

STATEMENT OF LABOR, DEPRECIATION AND AMORTIZATION BY FUNCTION
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

	2021			2020		
	Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Employee benefits						
Salaries and wages	$ 32,114	$ 803,147	$ 835,261	$ 42,045	$ 1,077,954	$ 1,119,999
Labor and health insurance	2,785	41,826	44,611	3,350	41,354	44,704
Pension	1,813	28,834	30,647	2,354	30,994	33,348
Share-based payment	-	29,887	29,887	-	39,776	39,776
Board compensation	-	1,960	1,960	-	1,910	1,910
Other employee benefits	1,000	13,747	14,747	1,193	12,730	13,923
	$ 37,712	$ 919,401	$ 957,113	$ 48,942	$ 1,204,718	$ 1,253,660
Depreciation	$ 4,168	$ 30,731	$ 34,899	$ 5,056	$ 32,742	$ 37,798
Amortization	$ -	$ 8,035	$ 8,035	$ -	$ 12,727	$ 12,727

Note 1: As of December 31, 2021 and 2020, the Company had 407 and 443 employees (including directors), respectively. 5 and 4 of which were non-employee directors, respectively.

Note 2: The average employee benefit expenses were $2,376 thousand and $2,851 thousand for the years ended December 31, 2021 and 2020, respectively.

Note 3: The average salaries and wages were $2,078 thousand and $2,551 thousand for the years ended December 31, 2021 and 2020, respectively.

Note 4: The average salaries and wages decrease by 19% compared with the last year.

Note 5: The Company has established an audit committee in June 2019 and has not appointed supervisors, thus there was no compensation to the supervisor.

Note 6: The Company’s remuneration policy is as follows:

a. According to the Articles of Incorporation of the Company, the Company accrued employees’ compensation and remuneration of directors at the rates no lower than 5% and no higher than 1%, respectively, of net profit before income tax, employees’ compensation, and remuneration of directors. The Board of Directors shall make a resolution and submit a report to the shareholders’ meeting with reference to the Company’s overall operating performance, the individual’s contribution to the Company’s performance and the standards of the industry.

b. The compensation of the Company’s directors shall be determined according to their level of participation in the Company’s operations and the value of their contributions, and authorized by the domestic and international industry standards, and approved by the Salary and Compensation Committee.

c. The Company has a Compensation Committee that regularly reviews the policies, systems, standards and structure of compensation. The compensation of the Company’s managers is based on their positions, responsibilities and contributions to the Company, and is determined with reference to industry standards, and is reviewed and approved by the Compensation Committee and the Board of Directors.