

VIA Technologies, Inc.

**Parent Company Only Financial Statements for the
Years Ended December 31, 2023 and 2022 and
Independent Auditors' Report**

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, 2023 and 2022, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent company only financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the accompanying parent company only financial position of the Company as of December 31, 2023 and 2022, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2023. Such 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 such matters.

The key audit matters of the parent company only financial statements for the year ended December 31, 2023, are as follows:

Evaluation of Profit and Loss Recognition of Investments in Subsidiaries Accounted for Using the Equity Method - Revenue Recognition of Specific Customers

As stated in Note 11 to the accompanying financial statements, as of December 31, 2023, the carrying amount of the investment in VIA Next Technologies, Inc. (VIA Next) accounted for using the equity method is NT\$332,118 thousand, representing 2% of the Company's assets. For the year ended December 31, 2023, the amount of profit accounted for using the equity method is NT\$483,797 thousand, representing 110% of the Company's total comprehensive income. We identified the financial position and performance of VIA Next to have material impact on the Company's financial statements.

Revenue from the sales of goods of VIA Next is recognized when significant risks and control are transferred to the customers. Technical service revenue is recognized when the performance obligation of services is fulfilled, and the amount of revenue can be reasonably measured. Since revenue from specific customers is material to the profit or loss accounted for using the equity method, we considered VIA Next's the relevant recognition of revenue a key audit matter.

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

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

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

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

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

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2023, 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 Pan-Fa Wang and Chin-Chuan Shih.

Panfa Wang CHIN-CHUAN, SHIH

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 6, 2024

Notice to Readers

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

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

VIA TECHNOLOGIES, INC.

PARENT COMPANY ONLY BALANCE SHEETS DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023		2022	
ASSETS	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 839,284	5	\$ 1,008,420	5
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	322,721	2	379,440	2
Financial assets at amortized cost - current (Notes 4 and 8)	30,705	-	-	-
Accounts receivable, net (Notes 4, 9, 23 and 32)	104,048	1	150,131	1
Other receivables (Notes 4, 9 and 32)	9,426	-	38,948	-
Inventories (Notes 4, 5 and 10)	1,506,486	8	1,616,780	8
Other current assets (Note 16)	<u>85,602</u>	<u>-</u>	<u>105,179</u>	<u>1</u>
Total current assets	<u>2,898,272</u>	<u>16</u>	<u>3,298,898</u>	<u>17</u>
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current (Notes 4 and 7)	279,688	1	246,945	1
Investments accounted for using the equity method (Notes 4 and 11)	13,537,949	73	13,914,500	72
Property, plant and equipment (Notes 4, 12 and 33)	934,552	5	772,880	4
Right-of-use assets (Notes 4 and 13)	19,792	-	18,633	-
Investment properties, net (Notes 4, 5, 14 and 33)	985,896	5	1,176,107	6
Intangible assets (Notes 4 and 15)	4,320	-	9,540	-
Other non-current assets (Notes 16 and 33)	<u>8,770</u>	<u>-</u>	<u>9,399</u>	<u>-</u>
Total non-current assets	<u>15,770,967</u>	<u>84</u>	<u>16,148,004</u>	<u>83</u>
TOTAL	<u>\$ 18,669,239</u>	<u>100</u>	<u>\$ 19,446,902</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	\$ 10,586	-	\$ 1,861	-
Contract liabilities - current (Notes 23 and 32)	832,999	5	400,795	2
Accounts payable (Notes 18 and 32)	652,798	4	786,284	4
Other payables (Notes 19 and 32)	907,682	5	933,171	5
Current tax liabilities (Notes 4 and 25)	50,231	-	148,319	1
Provisions - current (Notes 4 and 20)	247,379	1	282,223	1
Lease liabilities - current (Notes 4 and 13)	10,390	-	8,594	-
Current portion of long-term borrowings (Notes 17 and 33)	60,000	-	1,399,352	7
Other current liabilities (Note 19)	<u>8,294</u>	<u>-</u>	<u>15,725</u>	<u>-</u>
Total current liabilities	<u>2,780,359</u>	<u>15</u>	<u>3,976,324</u>	<u>20</u>
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 17 and 33)	2,139,797	11	2,010,000	10
Deferred tax liabilities (Notes 4 and 25)	137,180	1	136,993	1
Lease liabilities - non-current (Notes 4 and 13)	8,830	-	9,262	-
Net defined benefit liabilities (Notes 4 and 21)	318,443	2	305,817	2
Other non-current liabilities (Notes 19 and 32)	<u>7,635</u>	<u>-</u>	<u>8,589</u>	<u>-</u>
Total non-current liabilities	<u>2,611,885</u>	<u>14</u>	<u>2,470,661</u>	<u>13</u>
Total liabilities	<u>5,392,244</u>	<u>29</u>	<u>6,446,985</u>	<u>33</u>
EQUITY (Note 22)				
Share capital	4,991,227	27	4,970,099	26
Advance receipts for share capital	4,316	-	12,037	-
Capital surplus	1,270,865	7	1,241,826	6
Retained earnings				
Legal reserve	749,725	4	749,725	4
Special reserve	176,605	1	910,285	5
Unappropriated earnings	5,968,159	32	4,908,847	25
Other equity	<u>116,098</u>	<u>-</u>	<u>207,098</u>	<u>1</u>
Total equity	<u>13,276,995</u>	<u>71</u>	<u>12,999,917</u>	<u>67</u>
TOTAL	<u>\$ 18,669,239</u>	<u>100</u>	<u>\$ 19,446,902</u>	<u>100</u>

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

VIA TECHNOLOGIES, INC.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share)

	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 23 and 32)	\$ 5,078,365	100	\$ 3,898,575	100
OPERATING COSTS (Notes 10, 21, 24 and 32)	<u>4,248,888</u>	<u>84</u>	<u>3,117,484</u>	<u>80</u>
GROSS PROFIT	829,477	16	781,091	20
UNREALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES	(3,142)	-	(17,542)	-
REALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES	<u>17,542</u>	<u>1</u>	<u>2,620</u>	<u>-</u>
REALIZED GROSS PROFIT	<u>843,877</u>	<u>17</u>	<u>766,169</u>	<u>20</u>
OPERATING EXPENSES (Notes 21, 24 and 32)				
Selling and marketing expenses	169,037	3	125,043	3
General and administrative expenses	474,382	10	458,808	12
Research and development expenses	<u>495,540</u>	<u>10</u>	<u>511,745</u>	<u>13</u>
Total operating expenses	<u>1,138,959</u>	<u>23</u>	<u>1,095,596</u>	<u>28</u>
LOSS FROM OPERATIONS	<u>(295,082)</u>	<u>(6)</u>	<u>(329,427)</u>	<u>(8)</u>
NON-OPERATING INCOME AND EXPENSES (Notes 11, 14, 24 and 32)				
Interest income	20,075	-	9,005	-
Other income	74,929	2	99,596	3
Other gains and losses	6,615	-	(134,751)	(4)
Finance costs	(68,510)	(1)	(56,247)	(1)
Share of profit of subsidiaries and associates	<u>702,146</u>	<u>14</u>	<u>431,347</u>	<u>11</u>
Total non-operating income and expenses	<u>735,255</u>	<u>15</u>	<u>348,950</u>	<u>9</u>
PROFIT BEFORE INCOME TAX	440,173	9	19,523	1
INCOME TAX EXPENSE (Notes 4 and 25)	<u>(29,571)</u>	<u>(1)</u>	<u>(103,158)</u>	<u>(3)</u>
NET PROFIT (LOSS) FOR THE YEAR	<u>410,602</u>	<u>8</u>	<u>(83,635)</u>	<u>(2)</u>

(Continued)

VIA TECHNOLOGIES, INC.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share)

	2023		2022	
	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	\$ (10,139)	-	\$ 45,974	1
Share of remeasurement of defined benefit plans of subsidiaries	(79)	-	133	-
Share of the other comprehensive loss of subsidiaries accounted for using the equity method	(47,647)	(1)	(35,947)	(1)
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translating foreign operations	(43,808)	(1)	933,524	24
Share of the other comprehensive income of associates accounted for using the equity method	<u>15</u>	<u>-</u>	<u>32</u>	<u>-</u>
Other comprehensive (loss) income for the year, net of income tax	<u>(101,658)</u>	<u>(2)</u>	<u>943,716</u>	<u>24</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 308,944</u>	<u>6</u>	<u>\$ 860,081</u>	<u>22</u>
EARNINGS (LOSS) PER SHARE (Note 26)				
From continuing operations				
Basic	<u>\$ 0.82</u>		<u>\$ (0.17)</u>	
Diluted	<u>\$ 0.82</u>		<u>\$ (0.17)</u>	

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

VIA TECHNOLOGIES, INC.

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	Share Capital	Capital Collected in Advance	Capital Surplus	Retained Earnings			Exchange Differences on Translating Foreign Operations	Other Equity		Total Equity
				Legal Reserve	Special Reserve	Unappropriated Earnings		Unrealized Loss on Financial Assets at Fair Value Through Other Comprehensive Income	Unearned Employee Benefits	
BALANCE AT JANUARY 1, 2022	\$ 4,944,109	\$ 24,881	\$ 1,209,690	\$ 354,878	\$ 595,929	\$ 6,150,928	\$ (666,970)	\$ (22,498)	\$ -	\$ 12,590,947
Appropriation of 2021 earnings										
Legal reserve	-	-	-	394,847	-	(394,847)	-	-	-	-
Special reserve	-	-	-	-	314,356	(314,356)	-	-	-	-
Cash dividends distributed	-	-	-	-	-	(495,350)	-	-	-	(495,350)
Net loss for the year ended December 31, 2022	-	-	-	-	-	(83,635)	-	-	-	(83,635)
Other comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	46,107	933,556	(35,947)	-	943,716
Total comprehensive (loss) income for the year ended December 31, 2022	-	-	-	-	-	(37,528)	933,556	(35,947)	-	860,081
Changes in capital surplus from investments in associates	-	-	399	-	-	-	-	-	(1,043)	(644)
Share-based payment transaction (Note 27)	-	-	13,349	-	-	-	-	-	-	13,349
Issuance of ordinary shares under employee share options	25,990	(12,844)	31,711	-	-	-	-	-	-	44,857
Changes in percentage of ownership interests in the subsidiary (Note 28)	-	-	(14,040)	-	-	-	-	-	-	(14,040)
Recognition of employee share options issued by the subsidiary	-	-	717	-	-	-	-	-	-	717
BALANCE AT DECEMBER 31, 2022	4,970,099	12,037	1,241,826	749,725	910,285	4,908,847	266,586	(58,445)	(1,043)	12,999,917
Appropriation of 2022 earnings										
Legal reserve	-	-	-	-	-	-	-	-	-	-
Special reserve	-	-	-	-	(733,680)	733,680	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(74,752)	-	-	-	(74,752)
Net profit for the year ended December 31, 2023	-	-	-	-	-	410,602	-	-	-	410,602
Other comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	(10,218)	(43,793)	(47,647)	-	(101,658)
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	400,384	(43,793)	(47,647)	-	308,944
Changes in capital surplus from investments in associates	-	-	7,632	-	-	-	-	-	440	8,072
Share-based payment transaction (Note 27)	-	-	4,356	-	-	-	-	-	-	4,356
Issuance of ordinary shares under employee share options	21,128	(7,721)	25,477	-	-	-	-	-	-	38,884
Changes in percentage of ownership interests in the subsidiary (Note 28)	-	-	(8,733)	-	-	-	-	-	-	(8,733)
Recognition of employee share options issued by the subsidiary	-	-	307	-	-	-	-	-	-	307
BALANCE AT DECEMBER 31, 2023	<u>\$ 4,991,227</u>	<u>\$ 4,316</u>	<u>\$ 1,270,865</u>	<u>\$ 749,725</u>	<u>\$ 176,605</u>	<u>\$ 5,968,159</u>	<u>\$ 222,793</u>	<u>\$ (106,092)</u>	<u>\$ (603)</u>	<u>\$ 13,276,995</u>

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, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 440,173	\$ 19,523
Adjustments for:		
Depreciation expense	37,948	35,079
Amortization expense	5,559	11,750
Finance costs	68,510	56,247
Interest income	(20,075)	(9,005)
Dividend income	(3,396)	(5,612)
Compensation costs of employee share options	4,356	13,349
Share of profit of subsidiaries and associates	(702,146)	(431,347)
Unrealized gain on transactions with subsidiaries	3,142	17,542
Realized gain on transactions with subsidiaries	(17,542)	(2,620)
Loss on changes in fair value of investment properties	15,026	27,341
Gain on lease modification	(27)	(67)
Gain on bargain purchase	-	(327)
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	23,976	150,355
Accounts receivable	46,083	47,032
Other receivables	30,235	(12,450)
Inventories	110,294	(566,258)
Other current assets	19,577	45,514
Financial liabilities at fair value through profit or loss	8,725	1,861
Contract liabilities	432,204	174,732
Notes payable and accounts payable	(133,486)	66,833
Other payables	(19,238)	1,546
Provisions	(34,844)	149,440
Other current liabilities	(7,431)	8,154
Net defined benefit liabilities	2,487	1,109
Cash generated from (used in) operations	310,110	(200,279)
Interest received	19,362	8,873
Dividend received	3,396	5,612
Interest paid	(68,653)	(55,943)
Income tax paid	(127,472)	(79,538)
Net cash generated from (used in) operating activities	136,743	(321,275)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	(30,705)	-
Acquisition of the investments accounted for using the equity method	(89,180)	(165,760)
Payments for property, plant and equipment	(18,712)	(23,074)
Increase in refundable deposits	-	(585)
Decrease in refundable deposits	46	198
Payments for intangible assets	(1,763)	(10,297)
Payments for investment properties	(271)	(644)

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VIA TECHNOLOGIES, INC.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
Increase in other financial assets	\$ 583	\$ -
Dividend received from subsidiaries	<u>1,090,404</u>	<u>1,281,863</u>
Net cash generated from investing activities	<u>950,402</u>	<u>1,081,701</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in long-term bills payable	14,000	298,000
Decrease in long-term bills payable	(372,000)	(692,000)
Proceeds from long-term borrowings	656,000	1,465,000
Repayments of long-term borrowings	(1,508,000)	(878,000)
Increase in guaranteed deposits	-	116
Decrease in guaranteed deposits	(954)	(180)
Repayment of the principal portion of lease liabilities	(9,459)	(9,973)
Dividends paid	(74,752)	(495,350)
Exercise of employee share options	<u>38,884</u>	<u>44,857</u>
Net cash used in financing activities	<u>(1,256,281)</u>	<u>(267,530)</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(169,136)	492,896
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>1,008,420</u>	<u>515,524</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 839,284</u>	<u>\$ 1,008,420</u>

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

VIA TECHNOLOGIES, INC.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

VIA Technologies, Inc. (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 6, 2024.

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 “IFRS Accounting Standards”) 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 IFRS Accounting Standards endorsed and issued into effect by the FSC did not have any material impact on the Company’s accounting policies.

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2024

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 16 “Leases Liability in a Sale and Leaseback”	January 1, 2024 (Note 2)
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	January 1, 2024
Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”	January 1, 2024 (Note 3)

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

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

Note 3: The amendments provide some transition relief regarding disclosure requirements.

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

- c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
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 21 "Lack of Exchangeability"	January 1, 2025 (Note 2)

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: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments, the entity recognizes any effect as an adjustment to the opening balance of retained earnings. When the entity uses a presentation currency other than its functional currency, it shall, at the date of initial application, recognize any effect as an adjustment to the cumulative amount of translation differences in equity.

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION

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

- a. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- b. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

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

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

Classification of Current and Non-current Assets and Liabilities

Current assets include:

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

Current liabilities include:

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

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

Foreign Currencies

In preparing the parent company only financial statements of the Company, transactions in currencies other than the Company's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period.

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

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

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

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

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

Inventories

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

Investments Accounted for Using the Equity Method

a. Investments in subsidiaries

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

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

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

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

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

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

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

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

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

b. Investments in associates

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

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

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

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

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

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

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

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

Property, Plant and Equipment

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

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

Except for freehold land, which is not depreciated, the depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

Investment Property

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

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

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

Intangible Assets

Intangible assets acquired separately

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

Derecognition of intangible assets

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

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

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

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

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

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

Financial Instruments

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

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

a. Financial assets

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

1) Measurement categories

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

a) Financial assets at FVTPL

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

Financial assets at FVTPL are subsequently measured at fair value, and any dividends or interest earned on such financial assets are recognized in other income and interest income, respectively; any remeasurement gains or losses on such financial assets are recognized in other gains or losses. Fair value is determined in the manner described in Note 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, time deposits with original maturity more than 3 months, accounts receivable (including related parties) at amortized cost, other receivables, refundable deposits and other financial assets, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

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

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

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

- i) Significant financial difficulty of the issuer or the borrower;
- ii) Breach of contract, such as a default;

- iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or
- iv) The disappearance of an active market for that financial asset because of financial difficulties.

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

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

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

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

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

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

3) Derecognition of financial assets

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

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

b. Equity instruments

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

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

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

c. Financial liabilities

1) Subsequent measurement

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

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

Fair value is determined in the manner described in Note 31.

2) Derecognition of financial liabilities

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

d. Derivative financial instruments

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

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

Provisions

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

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

Revenue Recognition

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

a. Revenue from the sale of goods

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

b. Revenue from the rendering of services

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

Leasing

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

a. The Company as lessor

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

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

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

b. The Company as lessee

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

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

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

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

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

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

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

Employee Benefits

a. Short-term employee benefits

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

b. Retirement benefits

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

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

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

c. Other long-term employee benefits

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

d. Termination benefits

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

Share-based Payment Arrangements

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

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

Taxation

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

a. Current tax

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

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

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

b. Deferred tax

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

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

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

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

c. Current tax and deferred tax for the year

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

Key Sources of Estimation Uncertainty

a. Fair value measurements and valuation processes on investment properties

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

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

Information on the valuation techniques and inputs used in determining the fair value of investment properties is disclosed in Note 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	
	2023	2022
Cash on hand	\$ 530	\$ 550
Checking accounts and demand deposits	570,259	858,095
Cash equivalents:		
Time deposits	61,410	76,775
Repurchase agreements collateralized by bonds	<u>207,085</u>	<u>73,000</u>
	<u>\$ 839,284</u>	<u>\$ 1,008,420</u>

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

	December 31	
	2023	2022
Time deposits	5.40%-5.56%	4.83%
Repurchase agreements collateralized by bonds	0.73%	0.53%

As of December 31, 2023, time deposits with original maturities of more than three months amounted to \$30,705 thousand, which were classified as financial assets at amortized cost (refer to Note 8).

7. FINANCIAL INSTRUMENTS AT FVTPL

	December 31	
	2023	2022
<u>Financial assets at FVTPL - current</u>		
Financial assets classified as at FVTPL		
Domestic listed shares	\$ 322,663	\$ 379,328
Overseas listed shares	<u>58</u>	<u>112</u>
	<u>\$ 322,721</u>	<u>\$ 379,440</u>

(Continued)

	December 31	
	2023	2022
<u>Financial assets at FVTPL - non-current</u>		
Financial assets classified as at FVTPL		
Domestic unlisted shares	\$ 41,728	\$ 34,015
Overseas unlisted shares	2,362	2,345
Domestic private convertible bonds	<u>235,598</u>	<u>210,585</u>
	<u>\$ 279,688</u>	<u>\$ 246,945</u>

Financial liabilities at FVTPL - current

Financial liabilities classified as at FVTPL		
Derivative financial liabilities (not under hedge accounting)		
Foreign exchange forward contracts	<u>\$ 10,586</u>	<u>\$ 1,861</u> (Concluded)

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

December 31, 2023			
	Amount	Maturity Date	Rate of Exchange
Buy forward foreign exchange (USD:NTD)	US\$8,750	01.25.2024-03.21.2024	30.95-31.95
December 31, 2022			
	Amount	Maturity Date	Rate of Exchange
Buy forward foreign exchange (USD:NTD)	US\$7,500	01.12.2023-02.24.2023	30.20-32.05

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

8. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2023	2022
<u>Current</u>		
Time deposits with original maturities of more than 3 months	<u>\$ 30,705</u>	<u>\$ -</u>

As of December 31, 2023, the interest rate of time deposits with original maturities of more than 3 months was 5.35%.

9. ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

	December 31	
	2023	2022
<u>At amortized cost</u>		
Accounts receivable		
Accounts receivable	\$ 47,185	\$ 42,755
Accounts receivable - related parties	62,822	113,335
Less: Allowance for impairment loss	<u>(5,959)</u>	<u>(5,959)</u>
	<u>\$ 104,048</u>	<u>\$ 150,131</u>
<u>At amortized cost</u>		
Other receivables		
Other receivables - related parties	\$ 6,478	\$ 35,186
Interest receivable	850	137
Others	<u>2,098</u>	<u>3,625</u>
	<u>\$ 9,426</u>	<u>\$ 38,948</u>

Receivables

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

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

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

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

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

December 31, 2023

	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	\$ 109,878	\$ 129	\$ -	\$ -	\$ 110,007
Loss allowance (lifetime ECLs)	<u>(5,920)</u>	<u>(39)</u>	<u>-</u>	<u>-</u>	<u>(5,959)</u>
Amortized cost	<u>\$ 103,958</u>	<u>\$ 90</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 104,048</u>

December 31, 2022

	Not Past Due	Less than 60 Days	61 to 90 Days	Over 90 Days	Total
Expected credit loss rate	0.50%-10%	10%-30%	30%-50%	100%	
Gross carrying amount	\$ 151,397	\$ 4,691	\$ -	\$ 2	\$ 156,090
Loss allowance (lifetime ECLs)	<u>(4,550)</u>	<u>(1,407)</u>	<u>-</u>	<u>(2)</u>	<u>(5,959)</u>
Amortized cost	<u>\$ 146,847</u>	<u>\$ 3,284</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 150,131</u>

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

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

	<u>For the Year Ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Balance on January 1 and December 31	<u>\$ 5,959</u>	<u>\$ 5,959</u>

Other Receivables

Other receivables from related parties are described in Note 32.

10. INVENTORIES

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
Merchandise	\$ 25,211	\$ 49,304
Finished goods	124,398	209,654
Work-in-process	745,539	591,800
Raw materials	<u>611,338</u>	<u>766,022</u>
	<u>\$ 1,506,486</u>	<u>\$ 1,616,780</u>

The cost of inventories recognized as cost of goods sold for the year ended December 31, 2023 was \$10,542 thousand and \$1,362 thousand, respectively, due to devaluation, retirement, and obsolescence of inventories.

The cost of inventories recognized as cost of goods sold for the year ended December 31, 2022 was \$145,091 thousand and \$2,315 thousand, respectively, due to devaluation, retirement, and obsolescence of inventories.

11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2023	2022
Investment in subsidiaries	\$ 13,298,135	\$ 13,741,033
Investment in associates	<u>239,814</u>	<u>173,467</u>
	<u>\$ 13,537,949</u>	<u>\$ 13,914,500</u>

a. Investments in subsidiaries

	December 31	
	2023	2022
Listed equity investments		
Vate Technology Co., Ltd.	\$ 333,623	\$ 339,708
VIA Labs, Inc.	1,493,373	1,686,821
Unlisted equity investments		
VIATECH Co., Ltd.	4,102,040	4,506,884
VIABASE Co., Ltd.	7,020,737	7,170,800
TUNGBASE Technologies Ltd.	-	-
VIA Innoverse Inc.	10,899	10,856
VIA Intelligent Automotive, Inc.	5,345	2,462
VIA Next Technologies, Inc.	<u>332,118</u>	<u>23,502</u>
	<u>\$ 13,298,135</u>	<u>\$ 13,741,033</u>

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

	December 31	
	2023	2022
Vate Technology Co., Ltd.	66.28%	66.28%
VIA Labs, Inc.	55.99%	56.49%
VIATECH Co., Ltd.	100.00%	100.00%
VIABASE Co., Ltd.	100.00%	100.00%
TUNGBASE Technologies Ltd.	100.00%	100.00%
VIA Innoverse Inc.	100.00%	100.00%
VIA Intelligent Automotive, Inc.	100.00%	100.00%
VIA Next Technologies, Inc.	100.00%	100.00%

In 2023 and 2022, respectively, employees of VLI exercised stock options and the Company reduced its equity interest in VLI from 56.49% to 55.99% and 57.11% to 56.49%. The above transactions without a loss of control were accounted for as equity transaction, and the Company recognized capital surplus of \$8,733 thousand and \$14,040 thousand in 2023 and 2022, respectively. Refer to Note 28 for the details of the equity transaction with the subsidiary.

In 2023 and 2022, respectively, VLI issued employee share options and recognized compensation cost of \$550 thousand and \$1,270 thousand, resulting from the changes in equity of VLI, the Company increased capital surplus by \$307 thousand and \$717 thousand, respectively, in accordance with the percentage of ownership. Refer to Note 29 to the consolidated financial statements for the year ended December 31, 2023. In addition, the Company received cash dividends of \$290,884 thousand and \$426,743 thousand from VLI, in accordance with the percentage of ownership in 2023 and 2022, respectively.

The Company received cash dividends of \$623,800 thousand and \$854,400 thousand from VIATECH CO., LTD, in accordance with the percentage of ownership in 2023 and 2022, respectively.

As a result of the changes in equity of VIATECH Co., Ltd., VIABASE Co., Ltd., Vate Technology Co., Ltd. and VIA Labs, Inc. ("VLI"), the Company increased capital surplus by \$0 thousand and \$51 thousand and unrealized loss on equity instruments at FVTOCI by \$52,469 thousand and \$35,947 thousand in 2023 and 2022, respectively, in accordance with the percentage of ownership.

Wei-Hon Co, Ltd. changed its name to VIA Innoverse Inc. in July 2023.

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

In 2022, the financial statements of all the aforementioned subsidiaries underwent auditing, except for those of TUNGBASE Technologies Ltd., VIA Intelligent Automotive, Inc. and VIA Innoverse Inc. The management believes the financial statements of above subsidiaries for 2023 and 2022 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 \$732,346 thousand and \$443,268 thousand in 2023 and 2022, respectively, was as follows:

	For the Year Ended December 31	
	2023	2022
VIATECH Co., Ltd.	\$ 303,905	\$ 159,810
VIABASE Co., Ltd.	(170,456)	(317,685)
TUNGBASE Technologies Ltd.	-	-
VIA Intelligent Automotive, Inc.	2,883	(3)
VIA Labs, Inc.	106,574	413,836
Vate Technology Co., Ltd.	5,600	(11,920)
VIA Innoverse Inc.	43	48
VIA Next Technologies, Inc.	<u>483,797</u>	<u>199,182</u>
	<u>\$ 732,346</u>	<u>\$ 443,268</u>

b. Investments in associates

	December 31	
	2023	2022
<u>Associates that are not individually material</u>		
Intumit Inc.	\$ 21,619	\$ 20,954
iDOT Computers, Inc.	-	-
HLJ technology Co., Ltd.	<u>218,195</u>	<u>152,513</u>
	<u>\$ 239,814</u>	<u>\$ 173,467</u>

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

	For the Year Ended December 31	
	2023	2022
The Company's share of:		
Net profit for the year	\$ (30,200)	\$ (11,921)
Other comprehensive income and loss	<u>15</u>	<u>32</u>
Total comprehensive income and loss for the year	<u>\$ (30,185)</u>	<u>\$ (11,889)</u>

Intumit Inc. issued employee share options and distributed earnings in 2023 and 2022; as a result, the Company increased capital surplus by \$82 thousand and \$114 thousand, respectively, and received cash dividends of \$720 thousand in accordance with the percentage of ownership.

In August 2022, the Company acquired 12.05% of the shares of HLJ Technology Co., Ltd. with a cash investment of \$165,760 thousand. In addition, HLJ Technology Co., Ltd. redeemed restricted stocks that failed to meet the vested conditions in August 2022 and December 2022, which resulted in an increase in the shareholding ratio to 12.08% and an increase in the capital surplus by \$234 thousand, and took back restricted stocks that did not meet the vested conditions in 2023, which resulted in an increase in the shareholding, and HLJ Technology Co., Ltd increased its capital in December 2023. The Company acquired 17.75% of the shares of HLJ Technology Co., Ltd. with cash of \$89,180 thousand, and increased capital surplus by \$7,550 thousand.

Except for HLJ Technology Co., Ltd., 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 above investments in associates for the years ended December 31 2023 and 2022, which have not been audited, did not have a material impact on the Company's financial statements.

The Company discontinued its financial support to iDOT Computers, Inc. in 2023 and 2022, 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	
	2023	2022
Unrecognized share of losses of the associate for the year	\$ (17)	\$ (7)
Accumulated unrecognized share of losses of the associate	<u>\$ (75)</u>	<u>\$ (58)</u>

12. PROPERTY, PLANT AND EQUIPMENT

	December 31	
	2023	2022
Assets used by the Company		
Land	\$ 689,273	\$ 547,307
Buildings and improvements	212,441	187,517
Machinery and equipment	14,718	15,934
Computer equipment	15,009	19,151
Instrument equipment	2,747	2,297
Transportation equipment	107	399
Furniture and fixtures	41	95
Leasehold improvements	<u>216</u>	<u>180</u>
	\$ 934,552	\$ 772,880

	Land	Buildings and Improvements	Machinery and Equipment	Computer Equipment	Instrument Equipment	Transportation Equipment	Furniture and Fixtures	Leasehold Improvements	Total
<u>Cost</u>									
Balance on January 1, 2023	\$ 547,307	\$ 363,643	\$ 56,908	\$ 102,883	\$ 55,006	\$ 4,959	\$ 4,555	\$ 5,948	\$ 1,141,209
Additions	-	2,300	5,540	5,142	1,362	-	-	129	14,473
Disposal	-	(38,563)	(305)	(626)	(1,178)	(2,420)	(2,559)	(5,682)	(51,333)
Transfers from investment properties	141,966	44,208	-	-	-	-	-	-	186,174
Balance on December 31, 2023	<u>\$ 689,273</u>	<u>\$ 371,588</u>	<u>\$ 62,143</u>	<u>\$ 107,399</u>	<u>\$ 55,190</u>	<u>\$ 2,539</u>	<u>\$ 1,996</u>	<u>\$ 395</u>	<u>\$ 1,290,523</u>
<u>Accumulated depreciation and impairment</u>									
Balance on January 1, 2023	\$ -	\$ 176,126	\$ 40,974	\$ 83,732	\$ 52,709	\$ 4,560	\$ 4,460	\$ 5,768	\$ 368,329
Additions	-	10,866	6,756	9,284	912	292	54	93	28,257
Disposal	-	(38,563)	(305)	(626)	(1,178)	(2,420)	(2,559)	(5,682)	(51,333)
Transfers from investment properties	-	10,718	-	-	-	-	-	-	10,718
Balance on December 31, 2023	<u>\$ -</u>	<u>\$ 159,147</u>	<u>\$ 47,425</u>	<u>\$ 92,390</u>	<u>\$ 52,443</u>	<u>\$ 2,432</u>	<u>\$ 1,955</u>	<u>\$ 179</u>	<u>\$ 355,971</u>
Net carrying amount at December 31, 2023	<u>\$ 689,273</u>	<u>\$ 212,441</u>	<u>\$ 14,718</u>	<u>\$ 15,009</u>	<u>\$ 2,747</u>	<u>\$ 107</u>	<u>\$ 41</u>	<u>\$ 216</u>	<u>\$ 934,552</u>
<u>Cost</u>									
Balance on January 1, 2022	\$ 547,307	\$ 362,915	\$ 61,988	\$ 100,956	\$ 53,248	\$ 4,959	\$ 4,555	\$ 5,866	\$ 1,141,794
Depreciation expenses	-	801	11,969	3,298	1,758	-	-	82	17,908
Disposal	-	(73)	(17,049)	(1,371)	-	-	-	-	(18,493)
Balance on December 31, 2022	<u>\$ 547,307</u>	<u>\$ 363,643</u>	<u>\$ 56,908</u>	<u>\$ 102,883</u>	<u>\$ 55,006</u>	<u>\$ 4,959</u>	<u>\$ 4,555</u>	<u>\$ 5,948</u>	<u>\$ 1,141,209</u>
<u>Accumulated depreciation and impairment</u>									
Balance on January 1, 2022	\$ -	\$ 166,346	\$ 52,890	\$ 75,677	\$ 52,289	\$ 4,231	\$ 4,301	\$ 5,654	\$ 361,388
Depreciation expenses	-	9,853	5,133	9,426	420	329	159	114	25,434
Disposal	-	(73)	(17,049)	(1,371)	-	-	-	-	(18,493)
Balance on December 31, 2022	<u>\$ -</u>	<u>\$ 176,126</u>	<u>\$ 40,974</u>	<u>\$ 83,732</u>	<u>\$ 52,709</u>	<u>\$ 4,560</u>	<u>\$ 4,460</u>	<u>\$ 5,768</u>	<u>\$ 368,329</u>
Net carrying amount at December 31, 2022	<u>\$ 547,307</u>	<u>\$ 187,517</u>	<u>\$ 15,934</u>	<u>\$ 19,151</u>	<u>\$ 2,297</u>	<u>\$ 399</u>	<u>\$ 95</u>	<u>\$ 180</u>	<u>\$ 772,880</u>

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

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

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

- b. There were no capitalized interests for the years ended December 31, 2023 and 2022.

- 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	
	2023	2022
<u>Carrying amount</u>		
Buildings	<u>\$ 19,792</u>	<u>\$ 18,633</u>
	For the Year Ended December 31	
	2023	2022
Additions to right-of-use assets	<u>\$ 13,750</u>	<u>\$ 24,289</u>
Depreciation charge for right-of-use assets		
Buildings	<u>\$ 9,691</u>	<u>\$ 9,645</u>

Except for the aforementioned addition and recognized depreciation, the Company did not have significant sublease or impairment of right-of-use assets during the years ended December 31, 2023 and 2022.

- b. Lease liabilities

	December 31	
	2023	2022
<u>Carrying amount</u>		
Current	<u>\$ 10,390</u>	<u>\$ 8,594</u>
Non-current	<u>\$ 8,830</u>	<u>\$ 9,262</u>

Range of discount rates for lease liabilities was as follows:

	December 31	
	2023	2022
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	
	2023	2022
Expenses relating to short-term leases	\$ 2,496	\$ 2,571
Total cash outflow for leases	<u>\$ 12,222</u>	<u>\$ 12,860</u>

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

14. INVESTMENT PROPERTIES

	December 31	
	2023	2022
Balance at beginning of the year	\$ 1,176,107	\$ 1,202,804
Additions	271	644
Loss on changes in fair value of investment properties	(15,026)	(27,341)
Transfers to property, plant and equipment	<u>(175,456)</u>	<u>-</u>
Balance at end of the year	<u>\$ 985,896</u>	<u>\$ 1,176,107</u>

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

The maturity analysis of lease payments receivable under operating leases of investment properties at December 31, 2023 and 2022 was as follows:

	December 31	
	2023	2022
Year 1	\$ 41,700	\$ 22,235
Year 2	40,070	3,956
Year 3	38,536	21
Year 4	-	-
Year 5	<u>-</u>	<u>-</u>
	<u>\$ 120,306</u>	<u>\$ 26,212</u>

The fair values of investment properties with a carrying amount as of December 31, 2023 and 2022 were based on the valuations carried out by independent qualified professional appraisers, Jin Sheng Lin and Xuan-You Chen 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:

	December 31	
	2023	2022
Balance at beginning of the year	\$ 1,176,107	\$ 1,202,804
Additions	271	644
Recognized in profit or loss (loss arising from the change in fair value of investment property)		
Unrealized	(15,026)	(27,341)
Transfers to property, plant and equipment	<u>(175,456)</u>	<u>-</u>
Balance at end of the year	<u>\$ 985,896</u>	<u>\$ 1,176,107</u>

The fair value of investment properties was measured using unobservable inputs (Level 3) and 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	
	2023	2022
Expected future cash inflows	\$ 1,655,880	\$ 1,667,018
Expected future cash outflows	<u>(53,878)</u>	<u>(52,889)</u>
Expected future cash inflows, net	<u>\$ 1,602,002</u>	<u>\$ 1,614,219</u>
Discount rate	3.10%-3.85%	2.97%-3.72%

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. Please refer to Note 24(b) for information on the generation of rental income. The disposal value of investment properties were \$1,281,160 thousand and \$1,297,173 thousand under the income approach on December 31, 2023 and 2022, 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 expenditures were extrapolated on the basis of the current level of expenditures, taking into account the future adjustment to the government-announced land value, the tax rate promulgated under the House Tax Act.

The discount rate was determined by reference to the interest rate for 2-year time deposits as posted by Chunghwa Post Co., Ltd., plus 0.75%, and any asset-specific risk premiums between 0.75% 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		
	2023	2022	
Carrying amount			
Patents	\$ -	\$ -	
Computer software	<u>4,320</u>	<u>9,540</u>	
	<u>\$ 4,320</u>	<u>\$ 9,540</u>	
	2023		
	Patents	Computer Software	Total
<u>Cost</u>			
Balance at beginning of the year	\$ 42,866	\$ 473,010	\$ 515,876
Acquisition	<u>-</u>	<u>339</u>	<u>339</u>
Balance at end of the year	<u>\$ 42,866</u>	<u>\$ 473,349</u>	<u>\$ 516,215</u>
<u>Accumulated amortization and impairment</u>			
Balance at beginning of the year	\$ (42,866)	\$ (463,470)	\$ (506,336)
Amortization	<u>-</u>	<u>(5,559)</u>	<u>(5,559)</u>
Balance at end of the year	<u>\$ (42,866)</u>	<u>\$ (469,029)</u>	<u>\$ (511,895)</u>
Net carrying amount, at end of the year	<u>\$ -</u>	<u>\$ 4,320</u>	<u>\$ 4,320</u>
	2022		
	Patents	Computer Software	Total
<u>Cost</u>			
Balance at beginning of the year	\$ 42,866	\$ 469,755	\$ 512,621
Acquisition	<u>-</u>	<u>3,255</u>	<u>3,255</u>
Balance at end of the year	<u>\$ 42,866</u>	<u>\$ 473,010</u>	<u>\$ 515,876</u>
<u>Accumulated amortization and impairment</u>			
Balance at beginning of the year	\$ (42,866)	\$ (451,720)	\$ (494,586)
Amortization	<u>-</u>	<u>(11,750)</u>	<u>(11,750)</u>
Balance at end of the year	<u>\$ (42,866)</u>	<u>\$ (463,470)</u>	<u>\$ (506,336)</u>
Net carrying amount, at end of the year	<u>\$ -</u>	<u>\$ 9,540</u>	<u>\$ 9,540</u>

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	
	2023	2022
Prepaid expense	\$ 22,510	\$ 29,149
Prepayments of purchases of merchandise	3,892	13,820
Value-added tax receivable	57,793	31,662
Excess value-added tax paid	575	30,180
Temporary payment	832	368
Refundable deposits	4,185	4,231
Other financial assets - non-current	<u>4,585</u>	<u>5,168</u>
	<u>\$ 94,372</u>	<u>\$ 114,578</u>
Current	\$ 85,602	\$ 105,179
Non-current	<u>8,770</u>	<u>9,399</u>
	<u>\$ 94,372</u>	<u>\$ 114,578</u>

The market interest rates of other financial assets at December 31, 2023 and 2022 were 1.10% to 1.57% and 0.98% to 1.44%, respectively.

The amount of other financial assets - non-current pledged by the Company as customs security for imported raw materials, please refer to Note 33.

17. BORROWINGS

Long-term borrowings

	December 31	
	2023	2022
Secured borrowings		
Bank loans	\$ 1,050,000	\$ 952,000
Unsecured borrowings		
Bank loans	800,000	1,750,000
Commercial paper	350,000	708,000
Less: Unamortized discount on bills payable	<u>(203)</u>	<u>(648)</u>
	2,199,797	3,409,352
Less: Current portion	<u>(60,000)</u>	<u>(1,399,352)</u>
Long-term borrowings	<u>\$ 2,139,797</u>	<u>\$ 2,010,000</u>

The interest rates and maturity dates of the long-term borrowing of the Company were as follows:

	December 31	
	2023	2022
<u>Secured borrowings</u>		
Annual interest rate	1.92%-2.04%	1.98%-2.13%
Maturity date	It expires by December 2026	It expires by April 2025
<u>Unsecured borrowings</u>		
Annual interest rate	1.95%-2.00%	1.73%-2.12%
Maturity date	It expires by August 2025	It expires by November 2025

- a. The Company had applied to O-Bank Co., Ltd. and China Bills Finance for \$1,700,000 thousand of a syndicated loan in December 2023. The facility of the bank borrowings and commercial paper was \$1,000,000 thousand and \$700,000 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.
- b. 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.
- c. Refer to Note 33 for the carrying amount of assets pledged by the Company to secure borrowings banking facilities.
- d. Outstanding long-term bills payable were as follows:

Promissory Institutions	Nominal Amount	Discount Amount	Carrying Value	Interest Rate
<u>December 31, 2023</u>				
China Bills Finance	<u>\$ 350,000</u>	<u>\$ 203</u>	<u>\$ 349,797</u>	1.922%
<u>December 31, 2022</u>				
China Bills Finance	<u>\$ 708,000</u>	<u>\$ 648</u>	<u>\$ 707,352</u>	2.007%-2.165%

The payables of the commercial paper was recurring issued within three years, handing fees and interests were repaid only in the loan period.

18. NOTES AND ACCOUNTS PAYABLE

	December 31	
	2023	2022
Notes payable	\$ 322	\$ 638
Accounts payable	561,650	719,123
Accounts payable - related parties	<u>90,826</u>	<u>66,523</u>
	<u>\$ 652,798</u>	<u>\$ 786,284</u>

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

19. OTHER LIABILITIES

	December 31	
	2023	2022
<u>Other payables</u>		
Employees' compensation and remuneration of directors (Note 24)	\$ 639,670	\$ 686,619
Salaries and bonuses	178,392	176,037
Royalties and technical service fees	32,684	6,514
Research and development	10,961	10,928
Professional fees	9,667	12,054
Insurance	7,112	6,939
Pension (Note 21)	6,216	6,061
Equipment	5,098	9,337
Purchase intangible assets	4,416	5,840
Others (Note 32)	<u>13,466</u>	<u>12,741</u>
	<u>\$ 907,682</u>	<u>\$ 933,171</u>
<u>Other liabilities</u>		
Receipts under custody	\$ 8,294	\$ 15,725
Guarantee deposit (Note 32)	5,739	6,693
Deferred credit	<u>1,896</u>	<u>1,896</u>
	<u>\$ 15,929</u>	<u>\$ 24,314</u>
Current		
Other payables	<u>\$ 907,682</u>	<u>\$ 933,171</u>
Other liabilities	<u>\$ 8,294</u>	<u>\$ 15,725</u>
Non-current		
Other liabilities	<u>\$ 7,635</u>	<u>\$ 8,589</u>

20. PROVISIONS

	December 31	
	2023	2022
<u>Current</u>		
Provisions for discounts and allowances	\$ 247,379	\$ 282,223
	For the Year Ended December 31	
	2023	2022
Balance at beginning of the year	\$ 282,223	\$ 132,783
Provisions recognized	224,628	211,106
Reversal of unused balance	<u>(259,472)</u>	<u>(61,666)</u>
Balance at end of the year	\$ 247,379	\$ 282,223

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 \$24,588 thousand and \$23,926 thousand, representing the contributions to these plans by the Company at the rates specified in the plans for the years ended December 31, 2023 and 2022, respectively. As of December 31, 2023 and 2022, the amounts of contributions payable were \$6,216 thousand and \$6,061 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	
	2023	2022
Present value of defined benefit obligation	\$ (646,257)	\$ (633,558)
Fair value of plan assets	<u>327,814</u>	<u>327,741</u>
Deficit	(318,443)	(305,817)
Asset ceiling	<u>-</u>	<u>-</u>
Net defined benefit liabilities	<u>\$ (318,443)</u>	<u>\$ (305,817)</u>
Defined benefit liabilities	<u>\$ 318,443</u>	<u>\$ 305,817</u>

Movements in net defined benefit liability were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liability
Balance at January 1, 2022	<u>\$ (664,693)</u>	<u>\$ 314,011</u>	<u>\$ (350,682)</u>
Service cost			
Current service cost	(4,552)	-	(4,552)
Net interest (expense) income	<u>(3,323)</u>	<u>1,583</u>	<u>(1,740)</u>
Recognized in profit or loss	<u>(7,875)</u>	<u>1,583</u>	<u>(6,292)</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	24,787	24,787
Actuarial loss - changes in demographic assumptions	(48)	-	(48)
Actuarial gain - changes in financial assumptions	25,357	-	25,357
Actuarial loss - experience adjustments	<u>(4,122)</u>	<u>-</u>	<u>(4,122)</u>
Recognized in other comprehensive income	<u>21,187</u>	<u>24,787</u>	<u>45,974</u>
Contributions from the employer	-	5,183	5,183
Benefits paid	<u>17,823</u>	<u>(17,823)</u>	<u>-</u>
Balance at December 31, 2022	<u>\$ (633,558)</u>	<u>\$ 327,741</u>	<u>\$ (305,817)</u>
Balance at January 1, 2023	<u>\$ (633,558)</u>	<u>\$ 327,741</u>	<u>\$ (305,817)</u>
Service cost			
Current service cost	(3,987)	-	(3,987)
Net interest (expense) income	<u>(8,711)</u>	<u>4,538</u>	<u>(4,173)</u>
Recognized in profit or loss	<u>(12,698)</u>	<u>4,538</u>	<u>(8,160)</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	2,478	2,478
Actuarial loss - changes in demographic assumptions	(7,453)	-	(7,453)
Actuarial loss - experience adjustments	<u>(12,617)</u>	<u>2,478</u>	<u>(10,139)</u>
Recognized in other comprehensive income	<u>-</u>	<u>2,478</u>	<u>2,478</u>

(Continued)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liability
Contributions from the employer	\$ -	\$ 5,673	\$ 5,673
Benefits paid	<u>12,616</u>	<u>(12,616)</u>	<u>-</u>
Balance at December 31, 2023	<u>\$ (646,257)</u>	<u>\$ 327,814</u>	<u>\$ (318,443)</u> (Concluded)

An analysis by function of the amounts recognized in profit or loss in respect of the defined benefit plans was as follows:

	For the Year Ended December 31	
	2023	2022
<u>Summary of functions</u>		
Operating costs	\$ 482	\$ 359
Selling and marketing expenses	518	427
General and administrative expenses	2,766	2,051
Research and development expenses	<u>4,394</u>	<u>3,455</u>
	<u>\$ 8,160</u>	<u>\$ 6,292</u>

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

- Investment risk: The plan assets are invested in domestic/and foreign/equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.
- Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.
- Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

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

	December 31	
	2023	2022
Discount rates	1.250%	1.375%
Expected rates of salary increase	3.500%	3.500%

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	
	2023	2022
Discount rates		
0.25% increase	<u>\$ (14,783)</u>	<u>\$ (15,364)</u>
0.25% decrease	<u>\$ 15,291</u>	<u>\$ 15,918</u>
Expected rates of salary increase		
0.25% increase	<u>\$ 14,697</u>	<u>\$ 15,317</u>
0.25% decrease	<u>\$ (14,288)</u>	<u>\$ (14,867)</u>

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2023	2022
The expected contributions to the plan for the next year	<u>\$ 6,046</u>	<u>\$ 4,618</u>
The average duration of the defined benefit obligation	9.4 years	10.0 years

22. EQUITY

Share Capital

Ordinary shares

	December 31	
	2023	2022
Number of authorized shares (in thousands)	<u>2,000,000</u>	<u>2,000,000</u>
Amount of authorized shares	<u>\$ 20,000,000</u>	<u>\$ 20,000,000</u>
Number of issued and fully paid shares (in thousands)	<u>499,123</u>	<u>497,010</u>
Amount of issued and fully paid shares	<u>\$ 4,991,227</u>	<u>\$ 4,970,099</u>
Additional paid-in capital	<u>123,856</u>	<u>98,379</u>
	<u>\$ 5,115,083</u>	<u>\$ 5,068,478</u>
Advance receipts for share capital	<u>\$ 4,316</u>	<u>\$ 12,037</u>

As of December 31, 2022, employees exercised 487.5 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 2023, employees exercised 1,780.75 thousand of share options. In the conversion of the aforementioned share options, 2,112.75 thousand shares have been applied to Ministry of Economic Affairs for its capital registration in years 2023. As of December 31, 2023, the amount of issued and fully paid shares increased to \$4,991,227 thousand, and 155.5 thousand shares were recognized as advance receipts for share capital because the capital registration has not been completed.

Capital Surplus

	December 31	
	2023	2022
Issuance of ordinary shares	\$ 123,856	\$ 98,379
Change in percentage of ownership interests in the subsidiary (Note 28)	1,056,793	1,065,526
Change in capital surplus from investments in subsidiaries and associates	18,769	11,137
Recognition of employee share options issued by the subsidiary (Note 11)	8,789	8,482
Employee share options (Note 27)	59,629	55,273
Expired employee share options	<u>3,029</u>	<u>3,029</u>
	<u>\$ 1,270,865</u>	<u>\$ 1,241,826</u>

Under the Company Law, capital surplus can only be used to offset a deficit. However, the capital surplus from share issued in excess of par (including additional paid-in capital from issuance of ordinary shares, conversion of bonds and treasury share transactions), difference between the amount of actual disposal or acquisition of interests in subsidiary and carrying value, and donations may be used to offset a deficit, which is limited to a certain percentage of the Company's paid-in capital.

According to the amendment of the Company Law, the abovementioned capital surplus may be distributed in cash. Capital surplus arises from issuing employee share options and accounted for using the equity method may not be used for any other purpose other than offset a deficit. Such capital surplus arises from employee share options or employee share options from issuance of ordinary shares, which had been exercised, may be used to offset a deficit.

Resulting from the change in capital surplus from investments in subsidiaries and associates in 2023 and 2022, adjustments of \$7,632 thousand and \$399 thousand were made to the investment carrying value and capital surplus, respectively.

Retained Earnings (Accumulated Deficit) and Dividend Policy

- a. Under VIA's Articles of Incorporation, VIA should make appropriations from its net income in the following order:
 - 1) To pay taxes.
 - 2) To cover accumulated losses, if any.
 - 3) To appropriate 10% legal reserve unless the total legal reserve accumulated has already reached the amount of VIA's paid-in capital.
 - 4) To appropriate or reverse special reserve in accordance with the law and regulations.
 - 5) After withholding the amounts under the above item (1) to (4), then any remaining profit together with any undistributed retained earnings shall proposed by VIA's board of directors as the basis for the distribution plan, which should be resolved in the shareholders' meeting for distribution of dividends and bonus to shareholders.

- b. In order to consider the overall environment and long-term financial planning for sustainable and stable business development, VIA's dividend policy is mainly based on the future capital budget plan to measure capital needs and takes into account the interests of shareholders and other factors. VIA would distribute unappropriated earnings by cash dividends or share dividends, the amount should not be less than 10% of the after-tax earnings for the year. In addition, cash dividends should not be less than 10% of total dividends.

Under the Company's Articles, when the earnings distribution of dividends and bonuses, capital reserve or legal reserve are paid in whole or in part in the form of cash distribution, the board of directors is authorized to adopt a special resolution to distribute dividends and bonuses. Therefore, more than two-thirds of the directors shall be present, and with the consent of the majority of the directors who are present, shall report such distribution to the shareholders in their meeting.

For the policies on the distribution of employees' compensation and remuneration of directors and supervisors, refer to Note 24 (g).

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 appropriations of earnings for 2022 and 2021 respectively, which were resolved by the shareholders' meetings on June 16, 2023 and June 17, 2022 were as follows:

	2022	2021
Legal reserve	\$ -	\$ 394,847
Special reserve	-	314,356
Reversal of special reserve	(733,680)	-
Cash dividends to shareholders	74,752	495,350
Cash dividends per share (NT\$)	0.15	1.00

The appropriations of earnings for 2023 will be resolved by the Company's board of directors and the shareholders in the shareholders' meeting. Refer to the Market Observation Post System on the website of the Taiwan Stock Exchange for the information on the resolution of earnings distribution.

Other Equity

Exchange differences on translating the financial statements of foreign operations

	For the Year Ended December 31	
	2023	2022
Balance at January 1	\$ 266,586	\$ (666,970)
Recognized for the year		
Exchange differences arising from translating the foreign operations	(43,808)	933,524
Exchange differences arising from investment accounted for using the equity method	<u>15</u>	<u>32</u>
Balance at December 31	<u>\$ 222,793</u>	<u>\$ 266,586</u>

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

Unrealized gain (loss) on financial assets at FVTOCI

	For the Year Ended December 31	
	2023	2022
Balance at January 1	\$ (58,445)	\$ (22,498)
Recognized for the year		
Share of unrealized gain on equity instruments at FVTOCI of subsidiaries accounted for using the equity method	<u>(47,647)</u>	<u>(35,947)</u>
Balance at December 31	<u>\$ (106,092)</u>	<u>\$ (58,445)</u>

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

Unearned employee benefits

The associate accounted for using the equity method issued restricted shares, and the Company recognized unearned employee benefits in accordance with the percentage of ownership.

	For the Year Ended December 31	
	2023	2022
Balance at January 1	\$ (1,043)	\$ -
The equity method is used to recognize the changes in the capital reserve of affiliated enterprises	<u>440</u>	<u>(1,043)</u>
Balance at December 31	<u>\$ (603)</u>	<u>\$ (1,043)</u>

23. REVENUE

	For the Year Ended December 31	
	2023	2022
Revenue from the sale of goods	\$ 4,573,436	\$ 3,599,768
Revenue from the rendering of services	<u>504,929</u>	<u>298,807</u>
	<u>\$ 5,078,365</u>	<u>\$ 3,898,575</u>

Contract balance

	December 31, 2023	December 31, 2022	January 1,2022
Trade receivables (Note 9)	<u>\$ 104,048</u>	<u>\$ 150,131</u>	<u>\$ 197,163</u>
Contract liabilities (Note 32)			
Sales of goods	<u>\$ 832,999</u>	<u>\$ 400,795</u>	<u>\$ 226,062</u>

24. NET PROFIT FROM CONTINUING OPERATIONS

a. Interest income

	For the Year Ended December 31	
	2023	2022
Bank deposits (Time deposits with original maturity more than 3 months)	\$ 19,133	\$ 8,687
Repurchase agreements collateralized by bonds	941	317
Others	<u>1</u>	<u>1</u>
	<u>\$ 20,075</u>	<u>\$ 9,005</u>

b. Other income

	For the Year Ended December 31	
	2023	2022
Rental income		
Operating lease rental income		
Investment properties	\$ 30,199	\$ 31,935
Others	16,852	18,123
Dividend income	3,396	5,612
Subsidy income	-	7,958
Others	<u>24,482</u>	<u>35,968</u>
	<u>\$ 74,929</u>	<u>\$ 99,596</u>

c. Other gains and (losses)

	For the Year Ended December 31	
	2023	2022
Loss on fair value change of financial assets at fair value through profit or loss	\$ (34,563)	\$ (151,633)
Net foreign exchange gains	56,244	43,995
Loss arising from the changes in fair value of investment properties (Note 14)	(15,026)	(27,341)
Gain on lease modification	27	67
Others	<u>(67)</u>	<u>161</u>
	<u>\$ 6,615</u>	<u>\$ (134,751)</u>

d Finance costs

	For the Year Ended December 31	
	2023	2022
Interest on bank loans	\$ 68,243	\$ 55,930
Interest on lease liabilities	<u>267</u>	<u>317</u>
	<u>\$ 68,510</u>	<u>\$ 56,247</u>

e. Depreciation and amortization

	For the Year Ended December 31	
	2023	2022
Property, plant and equipment	\$ 28,257	\$ 25,434
Right-of-use assets	9,691	9,645
Intangible assets	<u>5,559</u>	<u>11,750</u>
	<u>\$ 43,507</u>	<u>\$ 46,829</u>
An analysis of depreciation by function		
Operating costs	\$ 8,538	\$ 6,829
Operating expenses	<u>29,410</u>	<u>28,250</u>
	<u>\$ 37,948</u>	<u>\$ 35,079</u>
An analysis of amortization by function		
Operating costs	\$ 59	\$ 81
Operating expenses	<u>5,500</u>	<u>11,669</u>
	<u>\$ 5,559</u>	<u>\$ 11,750</u>

f. Employee benefits expense

	For the Year Ended December 31	
	2023	2022
Short-term benefits	\$ 726,615	\$ 707,444
Post-employment benefits (Note 21)		
Defined contribution plans	24,588	23,926
Defined benefit plans	<u>8,160</u>	<u>6,292</u>
	<u>32,748</u>	<u>30,218</u>
Share-based payment	<u>4,356</u>	<u>13,349</u>
Total employee benefits expense	<u>\$ 763,719</u>	<u>\$ 751,011</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 41,857	\$ 41,965
Operating expenses	<u>721,862</u>	<u>709,046</u>
	<u>\$ 763,719</u>	<u>\$ 751,011</u>

g. Employees' compensation and remuneration of directors

VIA stipulates to distribute compensation to employees and remuneration to directors at rates no less than 5% and no higher than 1%, respectively, of net income offsetting the deficit and before tax. No compensation to employees and remuneration to directors was recognized in 2022 due to loss before income tax. The compensation of employees and the remuneration of directors for the year ended December 31, 2023 and which were approved by the Company's board of directors on March 6, 2024, are as follows:

Accrual rate

	For the Year Ended December 31, 2023
Compensation of employees	5.03%
Remuneration of directors	0.33%

Amount

	For the Year Ended December 31, 2023	
	Cash	Stock
Compensation of employees	\$ 23,400	\$ -
Remuneration of directors	1,540	-

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 2022 and 2021.

Information on the compensation to employees and remuneration to directors and supervisors resolved by the board of directors in their meeting is available at the Market Observation Post System website of the Taiwan Stock Exchange.

h. Impairment losses

	For the Year Ended December 31	
	2023	2022
Inventories (included in operating costs)	<u>\$ 10,542</u>	<u>\$ 145,091</u>

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	
	2023	2022
Current tax		
Income tax on unappropriated earnings	\$ 29,384	\$ 108,395
Deferred tax		
In respect of the current year	<u>187</u>	<u>(5,237)</u>
Income tax expense recognized in profit or loss	<u>\$ 29,571</u>	<u>\$ 103,158</u>

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

	For the Year Ended December 31	
	2023	2022
Profit before tax from continuing operations	<u>\$ 440,173</u>	<u>\$ 19,523</u>
Income tax expense calculated at the statutory rate (20%)	\$ 88,034	\$ 3,904
Tax-exempt income	(6,430)	(50,991)
Income tax on unappropriated earnings	29,384	108,395
Land value increment tax	187	(5,237)
Unrecognized loss carryforwards/deductible temporary differences	<u>(81,604)</u>	<u>47,087</u>
Income tax expense recognized in profit or loss	<u>\$ 29,571</u>	<u>\$ 103,158</u>

b. Current tax liabilities

	December 31	
	2023	2022
Current tax liabilities		
Income tax payable	<u>\$ 50,231</u>	<u>\$ 148,319</u>

c. Deferred tax liabilities

The movements of deferred tax liabilities were as follows:

For the year ended December 31, 2023

	Opening Balance	Recognized in Profit or Loss	Closing Balance
<u>Deferred tax liabilities</u>			
Temporary differences			
Investment properties	<u>\$ (136,993)</u>	<u>\$ (187)</u>	<u>\$ (137,180)</u>

For the year ended December 31, 2022

	Opening Balance	Recognized in Profit or Loss	Closing Balance
<u>Deferred tax liabilities</u>			
Temporary differences			
Investment properties	<u>\$ (142,230)</u>	<u>\$ 5,237</u>	<u>\$ (136,993)</u>

d. Unused loss carryforward

The amounts of loss carryforward as of December 31, 2023 were as follows:

Expiry Year	Unused Amount
2024	\$ 800,100
2025	712,061
2026	2,398,418
2027	1,455,602
2028	781,797
2029	1,566,363
2031	<u>209,675</u>
	<u>\$ 7,924,016</u>

e. Income tax assessments

The Company's tax returns through 2021 have been assessed and approved by the tax authorities.

26. EARNINGS (LOSS) PER SHARE

Unit: NT\$ Per Share

	For the Year Ended December 31	
	2023	2022
Basic earnings (loss) per share	<u>\$ 0.82</u>	<u>\$ (0.17)</u>
Diluted earnings (loss) per share	<u>\$ 0.82</u>	<u>\$ (0.17)</u>

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

Net Profit (Loss) for the Years

	<u>For the Year Ended December 31</u>	
	2023	2022
Profit (loss) for the year attributable to owners of the Company	<u>\$ 410,602</u>	<u>\$ (83,635)</u>

Shares

	Unit: In Thousands of Shares	
	<u>For the Year Ended December 31</u>	
	2023	2022
Weighted average number of ordinary shares used in computation of basic earnings per share	498,458	496,326
Effect of potentially dilutive ordinary shares		
Employee share options	3,047	-
Employees' compensation	<u>150</u>	<u>-</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>501,655</u>	<u>496,326</u>

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			
	2023		2022	
	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	5,476	\$ 20.91	7,889	\$ 21.20
Options exercised	(1,781)	21.99	(2,183)	20.55
Options expired	-	-	(230)	22.31
Balance at December 31	<u>3,695</u>	20.40	<u>5,476</u>	20.91
Options exercisable, end of the year	<u>2,445</u>	20.40	<u>2,779</u>	20.91

Information on outstanding options is as follows:

	December 31	
	2023	2022
Range of exercise price (NT\$)	\$17.70-\$34.00	\$17.70-\$34.00
Weighted-average remaining contractual life (in years)	5.81	6.78

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

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

Note: The grant-date share prices were \$18.00, \$34.60 and \$24.90, respectively. The exercise prices were adjusted to \$17.70, \$34.00 and \$24.50, respectively, due to the payment of cash dividends in 2022.

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

The Company recognized compensation cost of \$4,356 thousand and \$4,241 thousand for the years ended December 31, 2023 and 2022, respectively.

28. EQUITY TRANSACTION WITH THE SUBSIDIARY

The employees of VLI exercised share options in December 2023 and 2022, which reduced the parent's interest in VLI from 56.49% to 55.99% and 57.11% to 56.49%, respectively.

The above transactions were accounted for as equity transaction, since the Company did not lose control over the subsidiary. Change in percentage of ownership interests in the subsidiary decreased \$8,733 thousand and \$14,040 thousand, respectively, due to above transactions. Refer to Note 30 to the consolidated financial statements for the year ended December 31, 2023 for the details.

29. NON-CASH TRANSACTIONS

For the years ended December 31, 2023 and 2022, 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 \$5,098 thousand and \$9,337 thousand were not yet paid as of December 31, 2023 and 2022, respectively.
- b. The Company's acquisition of intangible assets - computer software in the amount of \$4,416 thousand and \$5,840 thousand were not yet paid as of December 31, 2023 and 2022, 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 2022.

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, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic and overseas listed shares	\$ 322,721	\$ -	\$ -	\$ 322,721
Domestic and overseas unlisted stocks	-	-	44,090	44,090
Domestic private convertible bonds	<u>-</u>	<u>-</u>	<u>235,598</u>	<u>235,598</u>
	<u>\$ 322,721</u>	<u>\$ -</u>	<u>\$ 279,688</u>	<u>\$ 602,409</u>
Financial assets at FVTPL				
Financial liabilities held for trading				
Derivative financial liabilities (not under hedge accounting)				
Foreign exchange forward contracts	<u>\$ -</u>	<u>\$ 10,586</u>	<u>\$ -</u>	<u>\$ 10,586</u>

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic and overseas listed shares	\$ 379,440	\$ -	\$ -	\$ 379,440
Domestic and overseas unlisted stocks	-	-	36,360	36,360
Domestic private convertible bonds	<u>-</u>	<u>-</u>	<u>210,585</u>	<u>210,585</u>
	<u>\$ 379,440</u>	<u>\$ -</u>	<u>\$ 246,945</u>	<u>\$ 626,385</u>
Financial assets at FVTPL				
Financial liabilities held for trading				
Derivative financial liabilities (not under hedge accounting)				
Foreign exchange forward contracts	<u>\$ -</u>	<u>\$ 1,861</u>	<u>\$ -</u>	<u>\$ 1,861</u>

There were no transfers between Levels 1 and 2 for the years ended December 31, 2023 and 2022.

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

For the year ended December 31, 2023

Financial Assets	Financial Assets at FVTPL
Balance at January 1	\$ 246,945
Recognized in profit or loss (included in other gains and losses)	<u>32,743</u>
Balance at December 31	<u>\$ 279,688</u>

For the year ended December 31, 2022

Financial Assets	Financial Assets at FVTPL
Balance at January 1	\$ 240,417
Recognized in profit or loss (included in other gains and losses)	<u>6,528</u>
Balance at December 31	<u>\$ 246,945</u>

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	Market approach:
Overseas beneficiary certificates	a) The fair value is measured by the share price and liquidity of similar listed company.
	b) The fair value is measured based on transaction price of similar listed company with an appropriate multiplier.
	Income approach: The fair value is measured by the capitalized or discounted projected income.
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	
	2023	2022
<u>Financial assets</u>		
Financial assets at FVTPL	\$ 602,409	\$ 626,385
Financial assets at amortized cost (Note 1)	992,233	1,206,898
<u>Financial liabilities</u>		
Financial liabilities at FVTPL	10,586	1,861
Financial liabilities at amortized cost (Note 2)	3,766,016	5,135,500

Note 1: The balances included financial assets at amortized cost, which comprise cash and cash equivalents, time deposits with original maturities of over than three months, accounts receivable (including related parties), other receivables, and refundable deposits and other 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	
	2023	2022
Profit or loss	\$ 8,858	\$ 11,466
Equity	222,456	233,554

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	
	2023	2022
Fair value interest rate risk		
Financial assets	\$ 303,785	\$ 154,943
Financial liabilities	19,220	17,856
Cash flow interest rate risk		
Financial liabilities	2,199,797	3,409,352

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, 2023 and 2022 would have increased/decreased by \$2,200 thousand and \$3,409 thousand, respectively, which was mainly attributable to the Company's exposure to interest rates on its variable-rate bank borrowings.

3) Other price risk

The Company was exposed to equity price risk through its investments in listed equity securities and convertible bond. The equity investment is not held for trading but a strategic investment, and the Group does not aggressively trade such investments.

Sensitivity analysis

The sensitivity analyses below were determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 10% higher/lower, before-tax profit for the years ended December 31, 2023 and 2022 would have increased/decreased by \$60,241 thousand and \$62,639 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 \$69,917 thousand and \$133,752 thousand as of December 31, 2023 and 2022, respectively. The Company's concentration of credit risk of 64% and 86% in total accounts receivable as of December 31, 2023 and 2022, 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, 2023

	Weighted Average Effective Interest Rate (%)	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	Total
<u>Non-derivative financial liabilities</u>						
Non-interest bearing	-	\$ 412,052	\$ 466,292	\$ 682,136	\$ 5,739	\$ 1,566,219
Lease liabilities	1.70%	320	2,026	8,299	8,951	19,596
Variable interest rate liabilities	1.92%-2.04%	-	-	59,797	2,140,000	2,199,797
		<u>\$ 412,372</u>	<u>\$ 468,318</u>	<u>\$ 750,232</u>	<u>\$ 2,154,690</u>	<u>\$ 3,785,612</u>

December 31, 2022

	Weighted Average Effective Interest Rate (%)	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	Total
<u>Non-derivative financial liabilities</u>						
Non-interest bearing	-	\$ 653,903	\$ 335,652	\$ 729,383	\$ 7,210	\$ 1,726,148
Lease liabilities	1.70%	-	1,599	7,239	9,377	18,215
Variable interest rate liabilities	1.73%-2.13%	-	330,000	1,069,352	2,010,000	3,409,352
		<u>\$ 653,903</u>	<u>\$ 667,251</u>	<u>\$ 1,805,974</u>	<u>\$ 2,026,587</u>	<u>\$ 5,153,715</u>

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities was subject to change if changes in variable interest rates differ from those interest rates determined at the end of the reporting period.

The following table details the Company's liquidity analysis of its derivative financial instruments. The table is based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a gross basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement. When the amount payable or receivable is not fixed, the amount disclosed is determined by reference to the projected interest rates as illustrated by the yield curves at the end of the year.

December 31, 2023

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
<u>Gross settled</u>					
Foreign exchange forward contracts					
Inflows	\$ 61,294	\$ 205,570	\$ -	\$ -	\$ -
Outflows	<u>(63,886)</u>	<u>(213,564)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ (2,592)</u>	<u>\$ (7,994)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

December 31, 2022

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
<u>Gross settled</u>					
Foreign exchange forward contracts					
Inflows	\$ 139,671	\$ 90,239	\$ -	\$ -	\$ -
Outflows	<u>(142,209)</u>	<u>(89,562)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ (2,538)</u>	<u>\$ 677</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

2) Financing facilities

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
Unsecured bank loan facility:		
Amount used	\$ 800,000	\$ 1,750,000
Amount unused	<u>1,290,000</u>	<u>450,000</u>
	<u>\$ 2,090,000</u>	<u>\$ 2,200,000</u>
Secured bank loan facility:		
Amount used	\$ 1,400,000	\$ 1,660,000
Amount unused	<u>1,440,000</u>	<u>1,120,000</u>
	<u>\$ 2,840,000</u>	<u>\$ 2,780,000</u>

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.	Subsidiary
VIA Intelligent Automotive, Inc.	Subsidiary
VIA Innoverse Inc.	Subsidiary
VIA Technologies (Shenzhen) Co., Ltd.	Subsidiary
VIA Technologies, Inc.	Subsidiary
VIA CPU Platform Co., Ltd.	Subsidiary
VIA Technologies (China) Co., Ltd.	Subsidiary
VIA Technologies (Shanghai) Co., Ltd.	Subsidiary
VIA Technologies Japan K.K.	Subsidiary
Via Technologies (HK) Inc. Limited	Subsidiary
S3 Graphics Inc.	Subsidiary
VIA CPU Platform (HK) Limited	Subsidiary
VIA CPU Platform Trading (HK) Limited	Subsidiary
Centaur Technology, Inc.	Subsidiary
VIA Telecom Co., Ltd.	Associate
Catchplay Media Holdings Ltd.	Associate
Shanghai Zhaoxin Semiconductor Co., Ltd. (Note)	Other related party/associate
Beijing Zhaoxin Electronic Technology Co., Ltd. (Note)	Other related party/associate
VIA Alliance Technology, Inc. (Note)	Other related party/associate
HTC Corporation	Other related party
Dopod International Corp.	Other related party
Xander International Corp.	Other related party
Chinese Christian Faith and Love Foundation	Other related party
Way Lien Technology Inc.	Other related party
HTC Communication Co., Ltd.	Other related party
Prime Technology (Guangzhou) Co., Ltd.	Other related party
First International Computer, Inc.	Other related party
AREX (TWN) International Co., Ltd.	Other related party
Canaan Company	Other related party
Chinese Human Resources Institute of Social Technology Inc.	Other related party
Chiuan-En Foundation	Other related party
FHL Creative Ltd.	Other related party
TVBS Media Inc.	Other related party
Leo Systems, Inc.	Other related party

Note: Shanghai Zhaoxin Semiconductor Ltd. underwent a cash capital increase, changed its corporate form, and renamed itself as Shanghai Zhaoxin Semiconductor Co., Ltd. on March 30, 2023. Subsequently, a board of directors' election took place. From that date onwards, the Group and Shanghai Zhaoxin Semiconductor Co., Ltd. have no substantial relationship. Additionally, Beijing Zhaoxin Electronic Technology Co., Ltd., VIA Alliance Technology, Inc., VIA Alliance Semiconductor (BVI) Co., Ltd. and Fortune Core Technology Co., Ltd. are wholly-owned subsidiaries, directly and indirectly, of Shanghai Zhaoxin Semiconductor Co., Ltd. Therefore, the relationship between the Company and the aforementioned companies changed from that of related parties to unrelated parties.

b. Operating transactions

	For the Year Ended December 31	
	2023	2022
<u>Sales</u>		
Subsidiaries		
VIA Technologies, Inc.	\$ 247,675	\$ 430,716
Others	210,420	35,030
Other related parties		
Shanghai Zhaoxin Semiconductor Co., Ltd.	320,225	1,713,696
Others	<u>5,166</u>	<u>573</u>
	<u>\$ 783,486</u>	<u>\$ 2,180,015</u>

Selling prices to related parties are similar with other regular sales except for some kinds of merchandise that have no comparison and some other related parties whose prices are less than normal due to greater sales volume. Terms of credit for both related and unrelated parties are similar except for some other related parties that adopted the offset of credits and debits of property.

	For the Year Ended December 31	
	2023	2022
<u>Other operating income</u>		
Subsidiaries		
VIA Next Technologies Co., Ltd.	\$ 34,096	\$ 59,424
VIA Technologies, Inc.	17,715	44,312
Others	25,146	19,304
Associates	800	-
Other related parties		
Shanghai Zhaoxin Semiconductor Co., Ltd.	1,451	175,796
Others	<u>12,952</u>	<u>4,600</u>
	<u>\$ 92,160</u>	<u>\$ 303,436</u>

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

	For the Year Ended December 31	
	2023	2022
<u>Purchase</u>		
Subsidiaries	\$ 172,181	\$ 159,516
Other related parties	<u>87,432</u>	<u>82,401</u>
	<u>\$ 259,613</u>	<u>\$ 241,917</u>

Terms of purchasing prices and payment for both related and unrelated parties are similar.

The following balances of accounts receivable from related parties were outstanding at the end of the reporting period:

	December 31	
	2023	2022
Subsidiaries		
VIA Technologies, Inc.	\$ 10,710	\$ 101,243
VIA Intelligent Automotive, Inc.	34,364	-
Others	<u>17,748</u>	<u>12,092</u>
	<u>\$ 62,822</u>	<u>\$ 113,335</u>

The amount of accounts receivable listed above is the total amount of accounts receivable without deducting allowance for loss.

The following balances of accounts payable to related parties were outstanding at the end of the reporting period:

	December 31	
	2023	2022
Subsidiaries	\$ 65,176	\$ 33,603
Other related parties	<u>25,650</u>	<u>32,920</u>
	<u>\$ 90,826</u>	<u>\$ 66,523</u>

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

c. Contract Liabilities

	December 31	
	2023	2022
Subsidiaries	\$ -	\$ 49
Other related parties		
Shanghai Zhaoxin Semiconductor Co., Ltd.	-	347,927
Others	<u>-</u>	<u>24</u>
	<u>\$ -</u>	<u>\$ 348,000</u>

d. Acquisition of assets

	For the Year Ended December 31	
	2023	2022
<u>Property, plant and equipment</u>		
Buildings		
Other related parties	<u>\$ 859</u>	<u>\$ -</u>

e. Compensation of key management personnel

	For the Year Ended December 31	
	2023	2022
Short-term benefits	\$ 42,218	\$ 41,723
Share-based payment	564	2,139
Post-employment benefits	674	677
Other benefits	<u>180</u>	<u>240</u>
	<u>\$ 43,636</u>	<u>\$ 44,779</u>

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

f. Other transactions with related parties

1) Lease items - rental income

	For the Year Ended December 31	
	2023	2022
Subsidiaries		
VIA Next Technologies Co., Ltd.	\$ 25,090	\$ 27,643
VIA Labs, Inc.	14,965	14,715
Others	3,612	3,653
Other related parties	<u>2,409</u>	<u>2,393</u>
	<u>\$ 46,076</u>	<u>\$ 48,404</u>

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

2) Other income

	For the Year Ended December 31	
	2023	2022
Subsidiaries		
Others	\$ 591	\$ 12,565
Associates	-	600
Other related parties	<u>20</u>	<u>2,200</u>
	<u>\$ 611</u>	<u>\$ 15,365</u>

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

3) Other receivables

	December 31	
	2023	2022
Subsidiaries		
VIA Labs, Inc.	\$ 1,486	\$ 1,509
VIA Next Technologies Co., Ltd.	4,641	33,598
Others	227	-
Other related parties		
Shanghai Zhaoxin Semiconductor Co., Ltd.	-	1
Others	<u>124</u>	<u>78</u>
	<u>\$ 6,478</u>	<u>\$ 35,186</u>

4) Other payables

	December 31	
	2023	2022
Subsidiaries	\$ 2,025	\$ 765
Other related parties	<u>907</u>	<u>461</u>
	<u>\$ 2,932</u>	<u>\$ 1,226</u>

5) Guarantee deposit

	December 31	
	2023	2022
Subsidiaries		
VIA Next Technologies Co., Ltd.	\$ 4,067	\$ 4,980
Others	632	655
Other related parties	<u>59</u>	<u>77</u>
	<u>\$ 4,758</u>	<u>\$ 5,712</u>

6) Research expenses

	For the Year Ended December 31	
	2023	2022
Subsidiaries	\$ 338	\$ 1,016
Other related parties	<u>125</u>	<u>5,746</u>
	<u>\$ 463</u>	<u>\$ 6,762</u>

7) Advertisement expenses

	For the Year Ended December 31	
	2023	2022
Subsidiaries	<u>\$ 3,137</u>	<u>\$ 2,294</u>

33. ASSETS PLEDGED AS COLLATERAL

The following assets were provided as collateral for long-term borrowings and customs duties on imported raw materials as follows:

	December 31	
	2023	2022
Property, plant and equipment, net	\$ 829,121	\$ 659,097
Investment properties	985,896	1,176,107
Pledged time deposits (Recognized as other financial assets - non-current)	<u>4,585</u>	<u>5,168</u>
	<u>\$ 1,819,602</u>	<u>\$ 1,840,372</u>

34. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

Significant Commitments

- a. As of December 31, 2023, the amount of customs duties confirmed by banks for importing goods was \$3,000 thousand.
- b. Refer to Table of Note 37 (Table 1) 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

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, 2023

	Foreign Currency	Exchange Rate
<u>Financial assets</u>		
Monetary items		
USD	\$ 22,519	30.71
RMB	1,477	4.34
Investments accounted for using the equity method		
USD	362,246	30.71
<u>Financial liabilities</u>		
Monetary items		
USD	16,845	30.71
RMB	12	4.34
HKD	390	3.93
Non-monetary items		
USD (derivative financial instruments)	8,750	30.71

December 31, 2022

	Foreign Currency	Exchange Rate
<u>Financial assets</u>		
Monetary items		
USD	\$ 31,966	30.71
RMB	1,544	4.41
Investments accounted for using the equity method		
USD	380,257	30.71
<u>Financial liabilities</u>		
Monetary items		
USD	20,797	30.71
RMB	-	4.41
HKD	63	3.94
Non-monetary items		
USD (derivative financial instruments)	7,500	30.71

The foreign currency exchange gains (including realized and unrealized) of the Company for the years ended December 31, 2023 and 2022 were \$56,244 thousand and \$43,995 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 (None)
- 2) Endorsements/guarantees provided (Table 1)
- 3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (Table 2)
- 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 3)
- 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 4)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 5)
- 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, 2023.

TABLE 1

VIA TECHNOLOGIES, INC.

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Note 3)	Maximum Amount Endorsed/ Guaranteed During the Period (Note 4)	Outstanding Endorsement/ Guarantee at the End of the Period (Note 5)	Actual Amount Borrowed (Note 6)	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 3)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries (Note 7)	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent (Note 7)	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China (Note 7)	Note
		Name	Relationship (Note 2)											
0	VIA Technologies, Inc.	VIA Next Technologies, Inc.	b	\$ 2,655,399	\$ 480,000	\$ 480,000	\$ 425,190	\$ -	3.62	\$ 6,638,498	Y	N	N	Note 8

- Note 1: The description of the code column is as follows:
- a. The Company is coded “0”.
 - b. The investees are coded sequentially beginning from “1” by each individual company.
- Note 2: There are 7 types of relationships between the endorser/guarantor and the endorsed/guaranteed party as follows, just indicate the type:
- a. Companies with business dealings.
 - b. A company in which the Company directly or indirectly holds more than 50% of the voting shares.
 - c. A company directly or indirectly holds more than 50% of the voting shares of the Company.
 - d. A company in which the Company directly or indirectly holds more than 90% of the voting shares.
 - e. Companies that provide mutual insurance for those of the same industry or as co-builders in accordance with contractual provisions based on the needs for construction project contracts.
 - f. A company that is endorsed and guaranteed by all shareholders of the Company based on their ownership percentage due to a joint investment relationship.
 - g. The companies that are engaged in joint and several guarantees for the performance of a pre-sale property contract in accordance with the Consumer Protection Act.
- Note 3: Fill in limit on endorsements/guarantees provided for a single party and ceiling on total amount of endorsements/guarantees provided as prescribed in the endorser/guarantor company’s “Procedures for Provision of Endorsements and Guarantees”, and state each individual party to which the endorsements/guarantees have been provided and the calculation of the ceiling on total amount of endorsements/guarantees provided in the footnote.
- Note 4: The maximum balance of the endorsement/guarantee provided to others in the current year.
- Note 5: The amount approved by the board of directors shall be entered. However, it refers to the amount approved by the chairman if the board of directors authorizes the chairman to make a decision in accordance with Subparagraph 8, Article 12 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies.
- Note 6: The actual drawdown amount by the endorsed/guaranteed company within the range of the endorsement/guarantee balance shall be entered.
- Note 7: “Y” shall only be entered for those that belong to endorsement/guarantee from publicly listed parent company to subsidiary, from subsidiary to publicly listed parent company, or to entity in mainland China.
- Note 8: The limit of the endorsement/guarantee for a single enterprise shall not exceed 20% of the net value of the most recent financial statements; the maximum limit of the endorsement/guarantee shall not exceed 50% of the net value of the most recent financial statements.

TABLE 2

VIA TECHNOLOGIES, INC.

**MARKETABLE SECURITIES HELD
DECEMBER 31, 2023
(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, 2023				Note
				Number of Shares (In Thousands)	Carrying Amount	Percentage of Ownership (%)	Fair Value	
VIA Technologies, Inc.	<u>Listed company</u> HTC Corporation	The chairman of the company and the chairman of the Company are spouse	Financial assets at fair value through profit or loss - current	3,751	\$ 192,424	0.45	\$ 192,424	
	Xander International Corp.	Same board chairman	"	4,559	126,965	5.02	126,965	
	First International Computer, Inc.	The chairman of the company and the chairman of the Company are second-degree relatives	"	8	497	-	497	
	Star Comgistic Capital Co., Ltd.	None	"	86	2,777	0.11	2,777	
	IQE PLC	"	"	6	58	-	58	
	<u>Unlisted company</u> Openfind Information Technology Inc.	None	Financial assets at fair value through profit or loss - non-current	950	39,159	6.72	39,159	
	Strawberry Software Inc.	"	"	40	67	3.97	67	
	Digitimes Inc.	"	"	158	2,502	0.75	2,502	
	Techgains Pan Pacific Corp.	"	"	500	2,362	1.47	2,362	
	United Communication (Holdings) Corporation	"	"	4	-	8.00	-	
VIA Labs, Inc.	<u>Convertible bonds</u> Ennoconn Corporation	None	Financial assets at fair value through profit or loss - non-current	2	235,598	-	235,598	
	<u>Unlisted company</u> EverPro Technologies Co., Ltd.	None	Financial assets at fair value through profit or loss - non-current	4,528	60,113	2.28	60,113	
	KikaGo Limited	"	Financial assets at fair value through other comprehensive income - non-current	2	-	19.05	-	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	Balance as of December 31, 2023				Note
				Number of Shares (In Thousands)	Carrying Amount	Percentage of Ownership (%)	Fair Value	
VIABASE CO., LTD.	<u>Unlisted equity investments</u> Ally Bridge Group-WTT Global Life Science Capital Partners, L. P.	None	Financial assets at fair value through other comprehensive income - non-current	-	\$ 265,613	1.27	\$ 265,613	
	Ally Bridge Group-CMRCO, L.P.	"	"	-	124,775	11.39	124,775	
	SMART Growth Fund, L.P.	"	"	-	228,862	1.72	228,862	
	10D Fund II L.P.	"	"	-	9,794	1.09	9,794	
	10D Opportunity Fund I L.P.	"	"	-	7,673	6.63	7,673	
	ACHI Capital Partners Fund L.P.	"	"	-	141,321	5.48	141,321	
	<u>Convertible bonds</u> Ennoconn Corporation	None	Financial assets at fair value through profit or loss - non-current	1	117,800	-	117,800	
	<u>Unlisted company</u> 3 CEMS Corp.	The chairman of the company and the chairman of the Company are second-degree relatives	Financial assets at fair value through other comprehensive income - non-current	9,585	59,406	1.09	59,406	
	MEDIS MEDIA PTY LTD.	The chairman of the company and the chairman of the Company are third-degree relatives	"	2	8,490	14.29	8,490	
	<u>Unlisted equity investments</u> ACHI Capital Partners Fund L.P.	None	Financial assets at fair value through other comprehensive income - non-current	-	375,830	10.43	375,830	
VIATECH CO., LTD.	<u>Listed company</u> Ezconn Corporation	None	Financial assets at fair value through profit or loss - current	63	4,461	0.10	4,461	
	<u>Unlisted company</u> EGTRAN	None	Financial assets at fair value through profit or loss - non-current	97	-	0.12	-	
	WEVR, INC.	"	Financial assets at fair value through other comprehensive income - non-current	2,901	73,739	8.89	73,739	
	<u>Unlisted equity investments</u> Ally Bridge Group-CMRCO, L.P.	None	Financial assets at fair value through other comprehensive income - non-current	-	138,684	12.40	138,684	
	10D Fund II L.P.	"	"	-	14,690	1.63	14,690	
	10D Opportunity Fund I LP.	"	"	-	11,509	9.94	11,509	
	Section 32 Fund 5, L.P.	"	"	-	13,851	0.61	13,851	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	Balance as of December 31, 2023				Note
				Number of Shares (In Thousands)	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Vate Technology Co., Ltd.	<u>Unlisted company</u> SITEC SEMICONDUCTOR LIMITED	None	Financial assets at fair value through other comprehensive income - non-current	130,341	\$ 13,570	7.75	\$ 13,570	
VIA Technologies (HK) Inc. Ltd.	<u>Unlisted company</u> EverPro Technologies Co., Ltd.	None	Financial assets at fair value through profit or loss - non-current	2,393	31,769	1.21	31,769	
	Shanghai Zhaoxin Semiconductor Co., Ltd.	"	"	61,479	669,114	3.52	669,114	
VIA Technologies (Shanghai) Co., Ltd.	<u>Unlisted company</u> EverPro Technologies Co., Ltd.	None	Financial assets at fair value through profit or loss - non-current	1,240	16,458	0.62	16,458	
	Shanghai Zhaoxin Semiconductor Co., Ltd.	"	"	34,114	371,184	1.96	371,184	
VIA Technologies (China) Co., Ltd.	<u>Unlisted company</u> Shanghai Zhaoxin Semiconductor Co., Ltd.	None	Financial assets at fair value through profit or loss - non-current	16,032	174,446	0.92	174,446	
	Shenghai Zhixin (Xiamen) Intelligent Technology Co., Ltd.	"	"	-	309	10.00	309	
VIA Technologies (Shenzhen) Co, Ltd.	<u>Unlisted company</u> Shanghai Zhaoxin Semiconductor Co., Ltd.	None	Financial assets at fair value through profit or loss - non-current	1,626	17,692	0.09	17,692	

Note 1: Shanghai Zhaoxin Semiconductor Co., Ltd. changed its name on March 30, 2023, and since that date, the relationship between the Company and the above company has been changed from a substantive party to a non-related party due to the loss of influence of the Company on the above company.

Note 2: Wise Road Industry Investment Fund I, L.P. changed its name to SMART Growth Fund, L.P.

(Concluded)

TABLE 3

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, 2023
(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	\$ 62,103	\$ 3,474,061	\$ 18,550	\$ 569,578	\$ -	\$ -	\$ -	Equity method of profit or loss \$ (432,112) Exchange differences on translating foreign operations 5,675	\$ 80,653	\$ 3,617,202
VIA CPU Platform Co., Ltd.	VIA CPU Platform (HK) Limited	"	VIA CPU Platform (HK) Limited	Subsidiary	276,591	(143,245)	145,162	578,113	-	-	-	Equity method of profit or loss (588,793) Exchange differences on translating foreign operations (8)	421,753	(153,933)
VIABASE CO., LTD.	Unlisted equity investments ACHI Capital Partners Fund L.P.	Financial assets at fair value through other comprehensive income - non-current	ACHI Capital Partners Fund L.P.	-	-	72,059	-	304,690	-	-	-	Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income (922) Exchange differences on translating foreign operations 3	-	375,830
VIA Labs, Inc.	Unlisted equity investments ACHI Capital Partners Fund L.P	"	ACHI Capital Partners Fund L.P.	-	-	30,832	-	116,761	-	-	-	Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income (6,272) Exchange differences on translating foreign operations -	-	141,321

TABLE 4

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, 2023
(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.	Note	Sales	\$ (320,225)	(7)	2-3 months	Similar to non-related party transaction.	Same as general customers	\$ -	-	
VIA Next Technologies, Inc.	Shanghai Zhaoxin Semiconductor Co., Ltd.	Note	Service revenue	(110,899)	(9)	2-3 months	"	Same as general customers	-	-	
VIA Technologies, Inc.	VIA Technologies, Inc. (USA)	Subsidiary	Sales	(247,675)	(5)	2-3 months	The sales volume is large, and its price is lower than usual	Same as general customers	10,710	10	
VIA Technologies, Inc. (USA)	VIA Technologies, Inc.	Parent	Purchase	247,675	55	2-3 months	The purchase volume is large, and the price is lower than the general	Same as general vendors	(10,710)	(45)	
	VIA Intelligent Automotive, Inc.	Sister	Purchase	173,740	38	2-3 months	The purchase volume is large, and the price is lower than the general	Same as general vendors	(14,667)	(61)	
VIA Intelligent Automotive, Inc.	VIA Technologies, Inc. (USA)	Sister	Sales	(173,740)	(86)	2-3 months	The sales volume is large, and its price is lower than usual	Same as general customers	14,667	100	
	VIA Technologies, Inc.	The Company's subsidiaries	Purchase	194,021	4	2-3 months	Similar to non-related party transaction.	Same as general vendors	(34,364)	(100)	
VIA Technologies, Inc.	VIA Intelligent Automotive, Inc.	Sister	Sales	(194,021)	(100)	2-3 months	Similar to non-related party transaction.	Same as general customers	34,364	33	
VIA Technologies (Shenzhen) Co, Ltd.	VIA CPU PLATFORM (HK) LIMITED	Sister	Service revenue	(174,227)	(97)	2-3 months	Similar to non-related party transaction.	Same as general customers	17,905	43	
VIA CPU PLATFORM (HK) LIMITED	VIA Technologies (Shenzhen) Co, Ltd.	Sister	Research expense	174,227	30	2-3 months	Similar to non-related party transaction.	Same as general vendors	(17,905)	(11)	
	VIA Technologies (Shanghai) Co, Ltd.	Sister	Research expense	176,255	30	2-3 months	Similar to non-related party transaction.	Same as general vendors	-	-	
VIA Technologies (Shanghai) Co, Ltd.	VIA CPU PLATFORM (HK) LIMITED	Sister	Service revenue	(176,255)	(100)	2-3 months	Similar to non-related party transaction.	Same as general customers	-	-	
VIA Technologies (China) Co, Ltd.	VIA CPU PLATFORM (HK) LIMITED	Sister	Service revenue	(163,573)	(96)	2-3 months	Similar to non-related party transaction.	Same as general customers	132,040	100	
VIA CPU PLATFORM (HK) LIMITED	VIA Technologies (China) Co, Ltd.	Sister	Research expense	163,573	28	2-3 months	Similar to non-related party transaction.	Same as general vendors	(132,040)	(84)	
Vate Technology Co., Ltd.	VIA Technologies, Inc.	The Company's subsidiaries	Sales	(115,628)	(39)	2-3 months	Similar to non-related party transaction.	Same as general customers	49,585	77	
VIA Technologies, Inc.	Vate Technology Co., Ltd.	Parent	Purchase	115,628	3	2-3 months	Similar to non-related party transaction.	Same as general vendors	(49,585)	(8)	

Note: Shanghai Zhaoxin Semiconductor Co., Ltd. changed its name on March 30, 2023, and since that date, the relationship between the Company and the above company has been changed from a substantive party to a non-related party due to the loss of influence of the Company on the above company.

TABLE 5

VIA TECHNOLOGIES, INC.

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Company Name	Related Party	Relationship	Ending Balance (Note 1)	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
VIA Technologies (China) Co., Ltd.	VIA CPU PLATFORM (HK) LIMITED	Sister	\$ 132,032	2.48	\$ -	-	\$ -	\$ -

TABLE 6

VIA TECHNOLOGIES, INC.

INFORMATION ON INVESTEEES
FOR THE YEAR ENDED DECEMBER 31, 2023
(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, 2023			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.	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands	International investment	\$ 2,166,502	\$ 2,166,502	70,202	100.00	\$ 4,102,040	\$ 303,905	\$ 303,905	\$ 623,800	\$ -	Note 1
	VIABASE CO., LTD.	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands	International investment	3,632,284	3,632,284	115,383	100.00	7,020,737	(171,957)	(170,456)	-	-	Note 2
	TUNGBASE TECHNOLOGIES LTD.	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands	International investment	41,570	41,570	1,080	100.00	-	-	-	-	-	
	VIA Innoverse Inc.	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	10,899	43	43	-	-	Note 10
	VIA Next Technologies, Inc.	10th Floor, No. 533, Zhongzheng Road, Xindian District, New Taipei City	Manufacturing and selling of electronic parts and information software processing services	134,560	134,560	500	100.00	332,118	473,607	483,797	175,000	-	Note 4
	Vate Technology Co., Ltd.	No. 9, Lixing 5th Road, Science Industrial Park, Hsinchu City	Integrated circuits chip testing and packaging services	493,031	493,031	52,656	66.28	333,623	8,396	5,600	-	-	Note 5
	VIA Labs, Inc.	7th Floor, No. 529, Zhongzheng Road, Xindian District, New Taipei City	Manufacturing and selling of electronic parts and information software processing services	136,084	136,084	38,843	55.99	1,493,373	180,569	106,574	290,884	-	Note 3
	VIA Intelligent Automotive, Inc.	8th Floor, No. 525, Zhongzheng Road, Xindian District, New Taipei City	Manufacturing and selling of electronic parts	2,600	2,600	260	100.00	5,345	2,883	2,883	-	-	
	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	-	-	-	-	-	
	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	21,619	25,607	1,288	720	-	
	HLJ technology Co., Ltd.	No. 2, Guangfu South Road, Hukou Township, Hsinchu County	Manufacturing and selling of electronic parts and information software processing services	254,940	165,760	18,632	17.75	218,195	(412,983)	(31,488)	-	-	
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	66,658	(284)	(94)	-	-	
	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	822,727	69,957	69,957	-	-	
	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	11,868	(22)	(22)	-	-	
	SURE VICTORY INVESTMENT LTD.	3rd Floor, J & C Building, P.O. Box 362, Road Town, Tortola, British Virgin Islands	International investment	-	13	-	-	-	-	-	-	-	Note 8
	T. C. Connection Corporation	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands	International investment	2,370	2,370	5,000	100.00	-	-	-	-	-	
	TECHBASE CO., LTD.	Windward 1, Regatta Office Park, PO Box 897, Grand Cayman KY1-1103, Cayman Islands	International investment	328,011	328,011	11,520	100.00	558,677	80,783	80,783	-	-	
	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	2,460,653	1,891,075	80,653	100.00	3,617,202	(432,112)	(432,112)	-	-	

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2023			Net Loss of the Investee	Investment Loss Recognized	Share of Profit (Loss)		Note
				Ending Balance	Beginning Balance	Shares (In Thousands)	Percentage of Ownership (%)	Carrying Value			Cash Dividend	Share Dividend	
VIA CPU PLATFORM CO., LTD.	CENTAUR TECHNOLOGY, INC.	7600N. Capital of TX Hwy., Bldg C. Suite 300, Austin, TX 78731	Designing, manufacturing and selling of CPU	\$ 1,026,428	\$ 1,026,428	-	100.00	\$ 3,760,388	\$ 156,554	\$ 156,554	\$ -	\$ -	Note 7
	VIA CPU PLATFORM (HK) LIMITED	Room 3602, Level 36, Tower 1, Enterprise Square Five, 38 Wang Chiu Road, Kowloon Bay, Kowloon, Hong Kong	Contract technical service support of CPU	1,597,514	1,019,401	421,753	100.00	(153,933)	(588,793)	(588,793)	-	-	
	VIA CPU PLATFORM TRADING (HK) LIMITED	Room 3602, Level 36, Tower 1, Enterprise Square Five, 38 Wang Chiu Road, Kowloon Bay, Kowloon, Hong Kong	Selling and manufacturing of CPU	37	37	10	100.00	8,374	274	274	-	-	
VIA USA, INC.	VIA Technologies, Inc.	940 Mission Court Fremont, CA 94539	Selling and designing of PC chipset	134,145	134,145	130	100.00	801,759	62,327	62,327	-	-	Note 7
	VIA-CYRIX, INC.	2552 Summit Avenue, Suite 406, Plano, TX75074	Designing, manufacturing and selling of CPU	1,351,734	1,351,734	-	100.00	(267)	(105)	(105)	-	-	
	VIA CPU PLATFORM, INC.	940 Mission Court Fremont, CA 94539	Selling and designing of PC chipset	152	152	5	100.00	16,642	3,868	3,868	-	-	
VIATECH CO., LTD.	VIA TECHNOLOGIES (HK) INC. LTD.	Unit B 16/F., V Ga Building, 532 Castle Peak Road KLN HK.	International investment	2,609,434	2,609,434	649,325	100.00	3,449,489	252,018	252,018	-	-	
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	543,361	80,829	80,829	-	-	
	S3 Graphics Inc.	940 Mission Court, Fremont, CA 94539	Selling and designing of PC chipset	94,296	94,296	-	100.00	185,530	347	347	-	-	
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	11,284	506	506	-	-	

Note 1: The net equity value of VIATECH CO., LTD. at the end of the period was \$4,104,895 thousand, and the difference between the net equity value and the carrying value of the investment was due to downstream transactions.

Note 2: The net equity value of VIABASE CO., LTD. at the end of the period was \$7,024,273 thousand, and the difference between the net equity value and the carrying value of the investment was due to downstream transactions and side-stream transactions.

Note 3: The net equity value of VLI at the end of the period was \$1,598,452 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 \$639,754 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 \$333,441 thousand, and the difference between the net equity value and the carrying value of the investment was due to the adjustment of IFRS 16.

Note 6: The net equity value has been negative, but the parent company has no intention to continue to support the company; therefore, the recognition of investment loss is limited to the capital contribution.

Note 7: The net equity value has been negative, the parent company will continue to support the company and still recognizes investment loss according to the shareholding ratio, resulting in a credit balance of the carrying amount, which is accounted for under other liabilities.

Note 8: In November 2022, due to market changes, SURE VICTORY INVESTMENT LTD. did not have a suitable investment target, and the shareholders had no intention of increasing the capital again, so the Company’s board of directors resolved to discontinued the business.

Note 9: Information on the investment in mainland China is disclosed on Table 7.

Note 10: Wei-Hon Co, Ltd. changed its name to VIA Innoverse Inc. in July 2023.

VIA TECHNOLOGIES, INC.

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars and Foreign Currency, Unless Stated Otherwise)

1. Information about investees in Mainland China, such as the name, main business operations, paid-in capital, method of investment, inward and outward remittance of funds, shareholding ratio, profit or loss from investments, investment book value at the end of the period, and profit or loss received from investments:

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2023	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of December 31, 2023	Accumulated Repatriation of Investment Income as of December 31, 2023	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	\$ 438	100.00	\$ 438	\$ 259,465	\$ -	VIA Technologies, Inc. as the investor
VIA Technologies (China) Co., Ltd.	Selling of CPU and PC chipset	602,374	"	602,374	-	-	602,374	117,286	100.00	117,286	2,256,419	-	VIA Technologies, Inc. as the investor
VIA Technologies (Shanghai) Co., Ltd.	Selling of graphics chipset	77,340	"	76,876	-	-	76,876	20,241	100.00	20,241	418,013	-	VIA Technologies, Inc. as the investor
VIA Telecom (Hangzhou) Co., Ltd.	Selling of PC chipset	240,000	"	118,800	-	-	118,800	1,243	48.94	608	190	-	VIA Technologies, Inc. as the investor
Jingrui Science and Technology (Beijing) Limited Company	Selling of PC chipset	90,000	"	44,100	-	-	44,100	1,780	48.94	724	51,557	-	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.	-	-	-	-	(22)	100.00	(22)	406	-	VIA Technologies, Inc. as the investor
VIA Technologies (Shenzhen) Co., Ltd.	Integrated circuits chip testing and technical support	4,657	Direct investment in company located in mainland China through VIA Labs, Inc.	4,657	-	-	4,657	1,262	100.00	1,262	10,416	-	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	(17)	100.00	(17)	4,316	-	VIA Labs, Inc. as the investor
Beijing VIA YongHong Property Co., Ltd	Property management	22,153	Direct investment in company located in mainland China through VIA Technologies (China) Co., Ltd.	-	-	-	-	30,775	100.00	30,775	51,836	-	VIA Technologies, Inc. as the investor
Shengchuang Smart Education Technology (Shandong) Co., Ltd.	R&D and sales of artificial intelligence products, teaching equipment and teaching software	44,635	Direct investment in company located in mainland China through VIA Technologies (China) Co., Ltd.	-	-	-	-	993	40.00	397	15,802	-	VIA Technologies, Inc. as the investor
Weihongshengxin Technology (Shanghai) Co., Ltd.	Electronic components manufacturing and information software processing services	4,395	Direct investment in company located in mainland China through VIA Next Technologies, Inc.	4,395	-	-	4,395	6,608	100.00	6,608	9,269	-	VIA Next Technologies Co., Ltd. as the investor
VIA Software (Hangzhou) Co., Ltd.	Selling of chipsets and computer software	11,601	Through investing in an existing company in the third area, which then invested in the investee in Mainland China	11,601	-	-	11,601	-	-	-	-	-	(Note)

Note: 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. Limit on the amount of investments in Mainland China:

Company	Accumulated Outflow for Investment in Mainland China as of December 31, 2023	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)	\$ 2,863,551 (US\$ 80,338) (HK\$ 25,000) (CNY 69,965)	(Note 1)
VIA Labs, Inc.	196,729 (CNY 40,116)	306,307 (CNY 65,450)	\$ 1,712,933
VIA Next Technologies, Inc.	4,395 (CNY 1,000)	4,395 (CNY 1,000)	383,852

- Note 1: Since the Company obtained the certificate of qualification for operating its headquarter in July 2022, which was issued by the Industrial Development Bureau, MOEA, the limit on investment in mainland China pursuant to “Principle of investment or Technical Cooperation in Mainland China” is not applicable.
- Note 2: The amount of \$1,423,663 thousand of accumulated outflow for investment in mainland China and the investment amount authorized by the Investment Commission, MOEA were invested in Shanghai Zhaoxin Semiconductor Co., Ltd., which is accounted for under financial assets at fair value through profit or loss - non-current.
- Note 3: The amount of \$485,537 thousand of accumulated outflow for investment in mainland China and the investment amount authorized by the Investment Commission, MOEA were invested in EverPro (Wuhan) Technologies Limited (renamed as EverPro (Wuhan) Technologies Joint Stock Limited Company), which is accounted for under financial assets at fair value through profit or loss - non-current.
- Note 4: The amount of \$462 thousand of accumulated outflow for investment in mainland China and the investment amount authorized by the Investment Commission, MOEA were invested in Shenzhen KikaGO Limited through investment in KikaGo Limited in the third area, which is accounted for under financial assets at fair value through other comprehensive income - non-current.
3. Significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment term, and unrealized gains or losses: Please refer to Table 6 of the Company’s 2023 Consolidated Financial Report.
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, 2023**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Shin Ton Investment Co., Ltd.	48,548,127	9.72
CW & ET Link Inc.	48,114,333	9.64
Hung Mao Investment Co., Ltd.	45,281,073	9.07
Way Chih Investment Co., Ltd.	42,290,638	8.47
Kun Chang Investment Co., Ltd.	41,141,508	8.24
Cher Wang	34,629,196	6.94

Note: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preference shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

VIA TECHNOLOGIES, INC.

THE CONTENTS OF STATEMENTS OF MAJOR ACCOUNTING ITEMS

<u>Item</u>	<u>Statement Index</u>
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Statement of selling and marketing expenses	Statement 9
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VIA TECHNOLOGIES, INC.**STATEMENT OF CASH AND CASH EQUIVALENTS****DECEMBER 31, 2023****(In Thousands of New Taiwan Dollars)**

Item	Description	Amount
Cash on hand		\$ 530
Cash in banks		
Checking deposits		1,098
Demand deposits	Includes foreign currency deposits	569,161
	US\$16,603 thousand × 30.71	
	EUR21 thousand × 33.98	
	HK\$16 thousand × 3.93	
	JPY2,683 thousand × 0.22	
	CNY1,477 thousand × 4.34	
Time deposits	Includes foreign currency deposits	61,410
	US\$2,000 thousand × 30.71 (the interest rate is	
	5.4%-5.56% per year)	
Bonds with repurchase	The interest rate is 0.73% per year	<u>207,085</u>
		<u>\$ 839,284</u>

VIA TECHNOLOGIES, INC.

STATEMENT OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Name of Financial Instrument	Description	Number of Shares	Face Value	Total Amount	Rate (%)	Acquisition Costs	Fair Value	
							Price	Total Amount
Domestic listed								
HTC Corporation		3,751	10	\$ 37,510		\$ 1,017,841	\$ 51.30	\$ 192,424
Xander International Corp.		4,559	10	45,589		60,666	27.85	126,965
First International Computer, Inc.		8	10	84		3,379	59.10	497
Star Comgistic Capital Co., Ltd.		86	10	858		5,181	32.35	2,777
				84,041		1,087,067		322,663
Foreign listed								
IQE PLC		6	GBX1	2		1,551	9.59	58
Domestic not listed								
Openfind Information Technology Inc.		950	10	9,498		63,897	41.23	39,159
Strawberry Software Inc.		40	10	397		397	1.68	67
Digitimes Inc.		158	10	1,575		75	15.89	2,502
				11,470		64,369		41,728
Foreign not listed								
Techgains Pan Pacific Corp.		500	US\$1	14,990		13,167		2,362
United Communication (Holdings) Corporation (Note)		4	US\$1	123		-		-
				15,113		13,167		2,362
Convertible bonds								
Ennoconn Corporation		2	100,000	200,000		200,000	117,799.00	235,598
				\$ 310,626		\$ 1,366,154		\$ 602,409

VIA TECHNOLOGIES, INC.**STATEMENT OF ACCOUNTS RECEIVABLE, NET****DECEMBER 31, 2023****(In Thousands of New Taiwan Dollars)**

Client Name	Description	Amount
Non-related parties		
Client A		\$ 23,740
Client B		11,105
Client C		6,491
Client D		4,378
Others	The amount less than 5% of this account is aggregated	<u>1,471</u>
		<u>47,185</u>
Related parties		
VIA TECHNOLOGIES, INC.		10,710
VIA Intelligent Automotive, Inc.		34,364
Others	The amount less than 5% of this account is aggregated	<u>17,748</u>
		<u>62,822</u>
		110,007
Less: Allowance for bad debts		<u>(5,959)</u>
		<u>\$ 104,048</u>

VIA TECHNOLOGIES, INC.**STATEMENT OF INVENTORIES****DECEMBER 31, 2023****(In Thousands of New Taiwan Dollars)**

Item	Description	Amount	
		Cost	Market Value
Raw materials		\$ 798,355	\$ 611,338
Work-in-process		804,680	745,539
Finished goods		334,996	124,398
Inventory		<u>32,972</u>	<u>25,211</u>
		1,971,003	<u>\$ 1,506,486</u>
Less: Allowance to reduce inventory to market		<u>(464,517)</u>	
		<u>\$ 1,506,486</u>	

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, 2023
(In Thousands of New Taiwan Dollars and Thousands Shares Except Unit Price in New Taiwan Dollars)

Name of Securities	Beginning Balance		Increase in Investment		Decrease in Investment		Ending Balance			Market Value or Equity		Collateral
	Shares (In Thousands)	Amount	Shares (In Thousands)	Amount	Shares (In Thousands)	Amount	Shares (In Thousands)	Percentage of Ownership (%)	Amount	Unit Price	Total Amount	
VIATECH CO, LTD (Note 1)	70,202	\$ 4,506,884	-	\$ 303,905	-	\$ 708,749	70,202	100.00	\$ 4,102,040	58.69	\$ 4,104,895	None
VIABASE CO., LTD. (Note 2)	115,383	7,170,800	-	23,238	-	173,301	115,383	100.00	7,020,737	60.97	7,024,273	None
VIA Innoverse Inc. (Note 3)	1,000	10,856	-	43	-	-	1,000	100.00	10,899	10.90	10,899	None
Vate Technology Co., Ltd. (Note 4)	52,656	339,708	-	5,600	-	11,685	52,656	66.28	333,623	6.33	333,441	None
VIA Next Technologies, Inc. (Note 5)	500	23,502	-	483,797	-	175,181	500	100.00	332,118	1,279.51	639,754	None
Intumit Inc. (Note 6)	1,200	20,954	-	1,385	-	720	1,200	4.69	21,619	18.02	21,619	None
VIA Labs, Inc. (Note 7)	38,843	1,686,821	-	106,881	-	300,329	38,843	56.49	1,493,373	41.15	1,598,452	None
VIA Intelligent Automotive, Inc. (Note 8)	260	2,462	-	2,883	-	-	260	100.00	5,345	20.56	5,345	None
iDOT Computers, Inc. (Note 9)	5,500	-	-	-	-	-	5,500	22.82	-	0.04	241	None
TUNGBASE TECHNOLOGIES LTD.	1,080	-	-	-	-	-	1,080	100.00	-	0.00	-	None
HLJ technology Co., Ltd. (Note 10)	11,200	<u>152,513</u>	7,432	<u>97,170</u>	-	<u>31,488</u>	18,632	17.75	<u>218,195</u>	11.71	<u>218,195</u>	None
		<u>\$ 13,914,500</u>		<u>\$ 1,024,902</u>		<u>\$ 1,401,453</u>			<u>\$ 13,537,949</u>		<u>\$ 13,957,114</u>	

Note 1: The increase in the current period is due to the investment income of \$303,905 thousand. The decrease in the current period is due to the cumulative translation adjustment of \$35,813 thousand, the unrealized loss from equity instruments at fair value through other comprehensive income of \$48,812 thousand, the unrealized gain of associates \$324 thousand and cash dividends of \$623,800 thousand.

Note 2: The increase in the current period is due to the unrealized loss of associates \$14,724 thousand and the unrealized gain from equity instruments at fair value through other comprehensive income of \$8,514 thousand. The decrease in the current period is due to the investment loss of \$170,456 thousand and the cumulative translation adjustment of \$2,845 thousand.

Note 3: The increase in the current period is due to the investment income of \$43 thousand, and Wei-Hon Co, Ltd. changed its name to VIA Innoverse Inc. in July 2023.

Note 4: The increase in the current period is due to the investment income of \$5,600 thousand. The decrease is due to the unrealized loss from equity instruments at fair value through other comprehensive income of \$11,685 thousand.

Note 5: The increase in the current period is due to the investment income of \$483,797 thousand. The decrease is due to the cumulative translation adjustments of \$181,000 and cash dividends of \$175,000 thousand.

Note 6: The increase in the current period is due to the investment income of \$128 thousand, the cumulative translation adjustment of \$15 thousand and the capital surplus from associates of \$82 thousand under the equity method. The decrease in the current period is due to cash dividends of \$720 thousand.

Note 7: The increase in the current period is due to the investment income of \$106,574 thousand and the capital surplus from share-based payments of \$307 thousand. The decrease in the current period is due to the cumulative translation adjustment of 147 thousand, the remeasurement of defined benefit plan of 79 thousand, cash dividends of \$290,884 thousand, an unrealized loss from equity instruments at fair value through other comprehensive income of \$486 thousand and the capital surplus from the subsidiary of \$8,733 thousand under the equity method.

Note 8: The increase in the current period is due to the investment income of \$2,883 thousand.

Note 9: 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 10: The increase in the current period is due to the additional investment of \$89,180 thousand, the capital surplus from the subsidiary of \$7,550 thousand under the equity method and the unearned compensation for employees of \$440 thousand under the equity method. The decrease in the current period is due to the investment loss of \$31,488 thousand.

VIA TECHNOLOGIES, INC.**STATEMENT OF ACCOUNTS PAYABLE****DECEMBER 31, 2023****(In Thousands of New Taiwan Dollars)**

Vendor Name	Description	Amount
Non-related parties		
Vendor A		\$ 234,073
Vendor B		98,740
Vendor C		57,067
Vendor D		34,865
Others	The amount less than 5% of this account is aggregated	<u>136,905</u>
		<u>561,650</u>
Related parties		
Vate Technology Co., Ltd.		49,585
VIA Technologies (Shenzhen) Co, Ltd.		15,591
First International Computer, Inc.		13,147
Prime Technology (Guangzhou) Co., Ltd.		12,503
Others	The amount less than 5% of this account is aggregated	<u>-</u>
		<u>90,826</u>
		<u>\$ 652,476</u>

VIA TECHNOLOGIES, INC.

**STATEMENT OF OPERATING REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)**

Item	Description	Amount
Sales revenue		\$ 4,950,263
Less: Sales return		(31,763)
Less: Sales discounts and allowances		<u>(345,064)</u>
Net sales income		4,573,436
Other operating income		<u>504,929</u>
		<u>\$ 5,078,365</u>

VIA TECHNOLOGIES, INC.

STATEMENT OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Amount
Cost of goods sold - manufactured goods	
Raw materials inventory, January 1	\$ 940,953
Add: Purchases of raw materials	2,071,794
Less: Raw materials inventory, December 31	(798,355)
Loss on physical inventory	(136)
Scrapped	(16,873)
Transfer to other accounts	<u>(8,577)</u>
Raw materials consumed	2,188,806
Manufacturing expenses - self-testing	91,428
Manufacturing expenses - consignment packaging	1,199,214
Manufacturing expenses - consignment testing	142,523
Manufacturing expenses - consignment processing	86,052
Manufacturing expenses - commissioned grinding	<u>86</u>
Manufacturing cost	3,708,109
Add: Work-in-process goods, January 1	744,422
Less: Work-in-process goods, December 31	(804,680)
Loss on physical inventory	(819)
Scrapped	(70,815)
Transfer to other accounts	<u>(36,899)</u>
Cost of finished goods	3,539,318
Add: Finished goods, January 1	467,323
Less: Finished goods, December 31	(334,996)
Loss on physical inventory	(407)
Scrapped	(50,208)
Transfer to other accounts	<u>(7,828)</u>
Cost of goods sold - manufactured goods	<u>3,613,202</u>
Cost of goods sold - outbound products	
Inventories, January 1	61,791
Add: Purchases	220,763
Loss: Inventories, December 31	(32,972)
Scrapped	(5,838)
Transfer to other accounts	<u>(43)</u>
Cost of foreign goods	<u>243,701</u>
Loss of inventory obsolescence	143,734
Inventory valuation losses (gains)	(133,192)
Loss on physical inventory	<u>1,362</u>
Service costs	<u>380,081</u>
	<u>\$ 4,248,888</u>

VIA TECHNOLOGIES, INC.**STATEMENT OF SELLING AND MARKETING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)**

Item	Description	Amount
Payroll		\$ 41,902
Advertisement		14,239
Professional service		16,300
Royalty		71,442
Others	The amount less than 5% of this account is aggregated	<u>25,154</u>
		<u>\$ 169,037</u>

VIA TECHNOLOGIES, INC.**STATEMENT OF GENERAL AND ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)**

Item	Description	Amount
Payroll		\$ 222,274
Professional service		133,060
Others	The amount less than 5% of this account is aggregated	<u>119,048</u>
		<u>\$ 474,382</u>

VIA TECHNOLOGIES, INC.**STATEMENT OF RESEARCH AND DEVELOPMENT EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)**

Item	Description	Amount
Payroll		\$ 365,013
Insurance		25,017
Others	The amount less than 5% of this account is aggregated	<u>105,510</u>
		<u>\$ 495,540</u>

VIA TECHNOLOGIES, INC.

STATEMENT OF LABOR, DEPRECIATION AND AMORTIZATION BY FUNCTION
 FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
 (In Thousands of New Taiwan Dollars)

	2023			2022		
	Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Employee benefits						
Salaries and wages	\$ 35,616	\$ 624,833	\$ 660,449	\$ 36,207	\$ 610,762	\$ 646,969
Labor and health insurance	3,071	45,303	48,374	2,937	43,052	45,989
Pension	2,073	30,675	32,748	1,865	28,353	30,218
Share-based payment	-	4,356	4,356	-	4,241	4,241
Board compensation	-	3,640	3,640	-	960	960
Other employee benefits	<u>1,097</u>	<u>13,055</u>	<u>14,152</u>	<u>956</u>	<u>12,570</u>	<u>13,526</u>
	<u>\$ 41,857</u>	<u>\$ 721,862</u>	<u>\$ 763,719</u>	<u>\$ 41,965</u>	<u>\$ 699,938</u>	<u>\$ 741,903</u>
Depreciation	<u>\$ 8,538</u>	<u>\$ 29,410</u>	<u>\$ 37,948</u>	<u>\$ 6,829</u>	<u>\$ 28,250</u>	<u>\$ 35,079</u>
Amortization	<u>\$ 59</u>	<u>\$ 5,500</u>	<u>\$ 5,559</u>	<u>\$ 81</u>	<u>\$ 11,669</u>	<u>\$ 11,750</u>

Note 1: As of December 31, 2023 and 2022, the Company had 387 and 392 employees (including directors), respectively. 6 and 5 of which were non-employee directors, respectively.

Note 2: The average employee benefit expenses were \$1,995 thousand and \$1,915 thousand for the years ended December 31, 2023 and 2022, respectively.

Note 3: The average salaries and wages were \$1,733 thousand and \$1,672 thousand for the years ended December 31, 2023 and 2022, respectively.

Note 4: The average salaries and wages increase by 4%.

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.