



**VIA Labs, Inc.**

**Stock Code: 6756**

# **VIA Labs, Inc.**

## **2024 Annual Report**

### **Notice to readers**

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

Annual Report Enquiry Websites

MOPS

<https://mops.twse.com.tw/>

Our Website

<https://www.via-labs.com/>

**Published on May 22, 2025**

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**IV. Attesting CPA of the Annual Report for the Most Recent Year**

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**V. Name of Exchanges for Securities Traded Offshore, and the Enquiry Method for Information on Said Offshore Securities:**

Not Applicable.

**VI. Our Website: <https://www.via-labs.com>**

# VIA Labs, Inc.

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# One. Letter to Shareholders

Dear Shareholders:

Looking back the Y2024, the world faced significant economic and geopolitical challenges, including the ongoing Russia-Ukraine conflict, the Israel-Hamas conflict, increased barriers to trade caused by shifting trade policies, and economic conditions in China. With the start of the second Trump administration, there is a strong sense of general economic uncertainty and concerns regarding further reduction of globalization and free trade through trade restrictions and tariffs. Faced with economic uncertainty and operational challenges, VIA Labs stayed committed to its technology roadmap, launching high-speed transmission and USB Type-C application products while maintaining technological leadership through innovation and differentiation. However, demand in consumer markets such as laptops, tablets, monitors, and smartphones has remained weak. Also, increased competition and reshoring policies from China have led to declining product prices. Despite the macroeconomic challenges, VLI's total revenue still reached approximately NT\$1.7 billion and earnings per share (EPS) of NT\$2.26.

We have worked closely with all our customers to counter economic uncertainties and global geopolitical tensions. In particular, we formed a strategic partnership with more leading global tech companies last year. This year, we will keep introducing new USB-related products and continue investing in long-term R&D to boost competitiveness, optimize resources, and ensure stable long-term growth, delivering better results to reward our shareholders and employees.

## 2024 Business Report

Company's consolidated operating income in 2024 was NT\$1,700,310,000, with net profit attributable to the owner of the parent company of NT\$157,248,000 and EPS of NT\$2.26 based on the weighted average number of outstanding shares of 69,616 thousand.

Items		2024	2023
Financial income and expenditure	Operating revenue (NT\$thousand)	1,700,310	2,035,103
	Gross profit (NT\$thousand)	850,957	931,360
	Net income attributable to owners of the Company (NT\$thousand)	157,248	180,569
Profitability	Return on assets (%)	4.19	4.86
	Return on equity (%)	5.29	5.98
	Percentage of paid-in capital (%)	Operating Income 2.10	22.51
		Pre-tax profit 25.79	30.82
	Net profit margin (%)	8.95	8.87
	Earnings per share (NT\$)	2.26	2.62

Note: The paid-in capital at the end of 2024 is including the capital received in advance of NT\$510 thousand.

## 2025 Business Plan

With a commitment to enhancing the "User Experience," VLI is dedicated to delivering practical and professional IC solutions centered around the USB Type-C feature. All major OS platforms such as Windows, Mac, and Linux and major platform vendors such as Apple, Intel, AMD, and Qualcomm offer native support for USB4 40Gbps. The number of desktops, tablets, hand-held gaming PCs, and notebooks equipped with USB4 has steadily increased. For IC design companies, the average order value of USB4 products is much higher than that of mainstream USB 3.2 or USB 2.0 products. VLI's USB4 chips have been adopted in numerous customers' applications, significantly enhancing the growth momentum of sales performance. The latest USB4 v2.0 specification, which supports a maximum transfer speed of 80Gbps, is expected to reach broad market adoption in two to three years, and VLI is also working on solutions.

Looking forward to the new year, VLI shoulders the expectations of shareholders. Our objective is to continue to lead VLI's employees to observe discipline, implement the core values of VLI, execute the technology roadmap, and continue to generate revenue. We remain committed to providing top-notch products and services to our customers, collaborating with them to pursue growth and profitability.

Wish you

A peaceful, joyful and healthy year.

Wen-Chi Chen, Chairman

## Two. Corporate Governance Report

### I. Information of Directors, President, Vice-President, Assistant Vice-President, and Heads of Departments and Branches

#### (I) Directors' information

##### 1. Directors

April 22, 2025; Unit: Shares; %

Title	Nationality or Place of Registration	Name	Gender Age	Date Election Appointment	Term of Office	Date of First Election	Shareholdings at the Time of Election		Current Shareholdings		Current Shareholdings of Spouse and Minor Children		Shareholdings by Nominee Arrangement		Experience (Education)	Positions in the Company and Other Companies Concurrently	Managers and Directors Who Are Spouses or Within Second Degree of Kinship			Remarks (Note 1)
							Shares	Shareholdings Ratio	Shares	Shareholdings Ratio	Shares	Shareholdings Ratio	Shares	Shareholdings Ratio			Title	Name	Relationship	
Chairman	R.O.C.	Wen-Chi Chen	Male 61~70 yrs old	2022/06/17	3 years	2008/06/24 (Note 2)	80,497	0.12%	80,497	0.12%	379,072	0.54%	0	0	Master of Computer Science, California Institute of Technology President, Symphony Laboratories.	Chairman & President, VIA Technologies, Inc. Director, HTC Corporation Director (Representative), Xander International Corp. Chairman (Representative), TVBS Media Inc. Director, Way-Chih Investment Co., Ltd. Director, Hsin-Tong Investment Co., Ltd. Director, Kun-Chang Investment Co, Ltd. Director, CW & ET Link Inc. Director, Hung Mao Investment Co., Ltd. Director, Chuan Te Investment Co., Ltd. Director, Li Way Investment Co., Ltd. Director (Representative), Viveport Digital Corporation Director (Representative), Reign Technology Corporation Director (Representative), VIVE Arts Corporation Director (Representative), Uomo Vitruviano Corporation Director (Representative), DeepQ Technology Corporation	Directors	Cher Wang	Spouse	None

Title	Nationality or Place of Registration	Name	Gender Age	Date Election Appointment	Term of Office	Date of First Election	Shareholdings at the Time of Election		Current Shareholdings		Current Shareholdings of Spouse and Minor Children		Shareholdings by Nominee Arrangement		Experience (Education)	Positions in the Company and Other Companies Concurrently	Managers and Directors Who Are Spouses or Within Second Degree of Kinship			Remarks (Note 1)
							Shares	Shareholdings Ratio	Shares	Shareholdings Ratio	Shares	Shareholdings Ratio	Shares	Shareholdings Ratio			Title	Name	Relationship	
																Director (Representative), HungYao Technology Co, Ltd. Director (Representative), Asiaplay Taiwan Digital Entertainment Ltd.				
Directors	R.O.C.	Cher Wang	Female 61~70 yrs old	2022/06/17	3 years	2020/06/19 (Note 2)	379,072	0.55%	379,072	0.54%	80,497	0.12%	0	0	Bachelor in Economics, University of California, Berkeley. GM of the PC Division, First International Computer, Inc. (FIC) Chairwoman, VIA Technologies, Inc. Director (Representative), High Tech Computer Asia Pacific Pte. Ltd. Chairwoman (Representative), Xander International Corp. Director (Representative), TVBS Media Inc. Director, Formosa Plastics Corporation Independent Non-executive Director, Lenovo Group Ltd. Director, Way-Chih Investment Co., Ltd. Director, Hsin-Tong Investment Co., Ltd. Director, Kun-Chang Investment Co, Ltd. Director, CW & ET Link Inc. Director, Hung Mao Investment Co., Ltd. Director, Chuan Te	Chairwoman & President, HTC Corporation Director (Representative), H.T.C. (B.V.I) Corp. Director (Representative), HTC Investment One ( BVI ) Corporation Chairwoman (Representative), HTC Investment Corporation Director, VIA Technologies, Inc. Director (Representative), High Tech Computer Asia Pacific Pte. Ltd. Chairwoman (Representative), Xander International Corp. Director (Representative), TVBS Media Inc. Director, Formosa Plastics Corporation Independent Non-executive Director, Lenovo Group Ltd. Director, Way-Chih Investment Co., Ltd. Director, Hsin-Tong Investment Co., Ltd. Director, Kun-Chang Investment Co, Ltd. Director, CW & ET Link Inc. Director, Hung Mao Investment Co., Ltd. Director, Chuan Te	Director	Wenchi Chen	Spouse	None

Title	Nationality or Place of Registration	Name	Gender Age	Date Election Appointment	Term of Office	Date of First Election	Shareholdings at the Time of Election		Current Shareholdings		Current Shareholdings of Spouse and Minor Children		Shareholdings by Nominee Arrangement		Experience (Education)	Positions in the Company and Other Companies Concurrently	Managers and Directors Who Are Spouses or Within Second Degree of Kinship			Remarks (Note 1)
							Shares	Shareholdings Ratio	Shares	Shareholdings Ratio	Shares	Shareholdings Ratio	Shares	Shareholdings Ratio			Title	Name	Relationship	
																Investment Co., Ltd. Director, Li Way Investment Co., Ltd Chairwoman (Representative), Viveport Digital Corporation Chairwoman (Representative), Reign Technology Corporation Chairwoman (Representative), VIVE Arts Corporation Chairwoman (Representative), Uomo Vitruviano Corporation Chairwoman (Representative), DeepQ Technology Corporation Chairwoman (Representative), HungYao Technology Co, Ltd. Director (Representative), Asiaplay Taiwan Digital Entertainment Ltd.				
Director	R.O.C.	VIA Technologies Co., Ltd.	-	2022/06/17	3 years	2008/06/24	38,843,000	56.72%	39,002,000	55.82%	0	0	0	0	None	None	None	None	None	None
	R.O.C.	Representative: Tzu-Mu Lin	Male 61~70 yrs old	2022/06/17	3 years	2008/06/24	52,873	0.08%	52,873	0.08%	0	0	0	0	Ph.D. in Computer Science, California Institute of Technology Director of Engineering, GCH system Inc.	Senior Vice President & Director, VIA Technologies, Inc.	None	None	None	None



Title	Nationality or Place of Registration	Name	Gender Age	Date Election Appointment	Term of Office	Date of First Election	Shareholdings at the Time of Election		Current Shareholdings		Current Shareholdings of Spouse and Minor Children		Shareholdings by Nominee Arrangement		Experience (Education)	Positions in the Company and Other Companies Concurrently	Managers and Directors Who Are Spouses or Within Second Degree of Kinship			Remarks (Note 1)
							Shares	Shareholdings Ratio	Shares	Shareholdings Ratio	Shares	Shareholdings Ratio	Shares	Shareholdings Ratio			Title	Name	Relationship	
Director	R.O.C.	VIA Technologies Co., Ltd.	-	2022/06/17	3 years	2008/06/24	38,843,000	56.72%	39,002,000	55.82%	0	0	0	0	None	None	None	None	None	None
	R.O.C.	Representative: Chu-Wan Chen	Male 51~60 yrs old	2022/06/17	3 years	2013/02/01	0	0	0	0	0	0	0	0	Bachelor in Science, University of California, Berkeley Executive Assistant to Chairman, VIA Technologies, Inc.	Chairman (Representative), Catchplay, Inc. Director (Representative), VIA Next Technologies, Inc. Manager, Catchplay, Inc. Taiwan Branch (Cayman) Chairman (Representative), Asiaplay Taiwan Digital Entertainment Ltd. Manager, Asiaplay Inc. Taiwan Branch (B.V.I.) Director (Representative), VIA Technologies (Shenzhen), Inc. Director (Representative), VIA Technologies (Shanghai), Inc. Director, VIA Technologies (HK), Inc. Chairman (Representative), VIA Labs, (Beijing) Inc.	None	None	None	None
Independent Director	R.O.C.	Yun-Ming Shieh	Male 71~80 yrs old	2022/06/17	3 years	2019/11/05	0	0	0	0	0	0	0	0	Department of Chemistry, National Tsing Hua University	Chairman & President, Tayllen Industrial Co., Ltd. Chairman, Juxin Hospital Management Consulting Co., Ltd. Chairman, Tong Chin Paint & Varnish Co., Ltd. Independent Director, HLJ Technology Co., Ltd. Supervisor, JYT Inc.	None	None	None	None

Title	Nationality or Place of Registration	Name	Gender Age	Date Election Appointment	Term of Office	Date of First Election	Shareholdings at the Time of Election		Current Shareholdings		Current Shareholdings of Spouse and Minor Children		Shareholdings by Nominee Arrangement		Experience (Education)	Positions in the Company and Other Companies Concurrently	Managers and Directors Who Are Spouses or Within Second Degree of Kinship			Remarks (Note 1)
							Shares	Shareholdings Ratio	Shares	Shareholdings Ratio	Shares	Shareholdings Ratio	Shares	Shareholdings Ratio			Title	Name	Relationship	
Independent Director	R.O.C.	Wei-Hsiung, Yin	Male 61~70 yrs old	2022/06/17	3 years	2019/11/05	0	0	0	0	0	0	0	0	EMBA, Fudan University MBA, Saginaw Valley State University CFO, Taiwan Prosperity Chemical Corporation Assistant Vice President, Taiwan Cement Corporation Manager, Taiwan Semiconductor Manufacturing Company, Ltd. Senior Assistant Vice President of Semiconductor Business Group, Hon Hai Precision Industry CO., Ltd.	Senior Investment Advisor, Titan Equity Ventures CO., LTD. Advisor, General Chamber of Commerce of the Republic of China	None	None	None	None
Independent Director	R.O.C.	Pek Seng Ng	Male 51~60 yrs old	2022/06/17	3 years	2019/11/05	0	0	0	0	0	0	0	0	Bachelor in Economics, National Taiwan University Junior Manager (GM Office), Sun-Fund Securities Ltd. Supervisor, Yung Li Securities CO, Ltd. General Manager of Talent Business, ManpowerGroup Taiwan	Chairman & President, Caleb Professional Consulting Co., Ltd.	None	None	None	None

Note1: None of the Director, President, or position equivalent (top managerial officers) are the same person, spouse, or within one degree of kinship.

Note 2: Date of first appointment as a corporate representative.

2. Directors are the major shareholders of Corporate shareholders

April 22, 2025

Name of Institutional Shareholders	Major shareholders of the Corporate shareholders	Shareholding Ratio %
VIA Technologies Co., Ltd.	Hsin-Tong Investment Co., Ltd.	8.74%
	Hung Mao Investment Co., Ltd.	8.15%
	Way-Chih Investment Co., Ltd.	7.61%
	Kun-Chang Investment Co., Ltd.	7.40%
	CW & ET Link Inc	7.22%
	Cher Wang	6.23%
	HSBC in custody of Bitcoin Corporate Investment	2.52%
	Chuan Te Investment Co., Ltd.	2.28%
	Li Wei Investment Co., Ltd.	2.26%
	Mu-Chuan Lin	2.24%

3. Major shareholders of the institutional shareholders that are juridical persons

April 22, 2025

Legal entity name	Major shareholders of the legal entity
Hsin-Tong Investment Co., Ltd.	Chinese Christian Faith and Love Foundation (16.42%), Peaceful Faith and Love Foundation (16.42%), Charitable Trust Grace Social Welfare Foundation (16.42%), VIA Faith and Love Charity Foundation (16.42%)
Hung Mao Investment Co., Ltd.	Chinese Christian Faith and Love Foundation (16.34%), Peaceful Faith and Love Foundation (16.34%), Charitable Trust Grace Social Welfare Foundation (16.34%), VIA Faith and Love Charity Foundation (16.34%)
Way-Chih Investment Co., Ltd.	Chinese Christian Faith and Love Foundation (16.42%), Peaceful Faith and Love Foundation (16.42%), Charitable Trust Grace Social Welfare Foundation (16.42%), VIA Faith and Love Charity Foundation (16.42%)
Kun-Chang Investment Co., Ltd.	Chinese Christian Faith and Love Foundation (16.42%), Peaceful Faith and Love Foundation (16.42%), Charitable Trust Grace Social Welfare Foundation (16.42%), VIA Faith and Love Charity Foundation (16.42%)
CW & ET Link Inc	Hung-Mao Investment Co., Ltd. (30.46%), Chuan-Te Investment Co., Ltd. (10.75%)
Chuan Te Investment Co., Ltd.	Chinese Christian Faith and Love Foundation (16.446%), Peaceful Faith and Love Foundation (16.446%), Charitable Trust Grace Social Welfare Foundation (16.446%), VIA Faith and Love Charity Foundation (16.446%)
Li Wei Investment Co., Ltd.	Chinese Christian Faith and Love Foundation (16.446%), Peaceful Faith and Love Foundation (16.446%), Charitable Trust Grace Social Welfare Foundation (16.446%), VIA Faith and Love Charity Foundation (16.446%)

#### 4. Professional Qualifications of Directors and the Independence Status of Independent Directors

April 22, 2025

Name	Criteria	Professional Qualifications and Experience	Independence (Note 1)	Number of other public companies in which the Individual is concurrently serving as an independent director
Wen-Chi Chen		1. For academic and working experience, please refer to "Information of Directors, President, Vice President, Assistant Vice President, and Heads of Departments and Branches" 2. Having a background in engineering and senior executive management expertise 3. Not been a person of any of the conditions defined in Article 30 of the Company Act.	Not Applicable	0
Cher Wang		1. For academic and working experience, please refer to "Information of Directors, President, Vice President, Assistant Vice President, and Heads of Departments and Branches" 2. Having a background in economics and marketing and senior executive management expertise 3. Not been a person of any of the conditions defined in Article 30 of the Company Act.	Not Applicable	1 (Note 2)
VIA Technologies Co., Ltd. Representative: Tzu-Mu Lin		1. For academic and working experience, please refer to "Information of Directors, President, Vice President, Assistant Vice President, and Heads of Departments and Branches" 2. Having a background in engineering and senior executive management expertise 3. Not been a person of any of the conditions defined in Article 30 of the Company Act.	Not Applicable	0
VIA Technologies Co., Ltd. Representative: Chu-Wan Chen		1. For academic and working experience, please refer to "Information of Directors, President, Vice President, Assistant Vice President, and Heads of Departments and Branches" 2. Having a background in engineering and senior executive management expertise 3. Not been a person of any of the conditions defined in Article 30 of the Company Act.	Not Applicable	0
Yun-Ming Hsieh		1. For academic and working experience, please refer to "Information of Directors, President, Vice President, Assistant Vice President, and Heads of Departments and Branches" 2. Being a member of the Audit Committee and having a background in chemistry and senior executive management expertise 3. Not been a person of any of the conditions defined in Article 30 of the Company Act.	It conforms to all independence cases from (1) to (4)	1
Wei-Hsiung Yin		1. For academic and working experience, please refer to "Information of Directors, President, Vice President, Assistant Vice President, and Heads of Departments and Branches" 2. Being a member of the Audit Committee and having a background in finance and senior executive management expertise 3. Not been a person of any of the conditions defined in Article 30 of the Company Act.	It conforms to all independence cases from (1) to (4)	0
Pek-Seng Ng		1. For academic and working experience, please refer to "Information of Directors, President, Vice President, Assistant Vice President, and Heads of Departments and Branches" 2. Being a member of the Audit Committee and having a background in finance and human resource and senior executive management expertise 3. Not been a person of any of the conditions defined in Article 30 of the Company Act.	It conforms to all independence cases from (1) to (4)	0

Note 1: Independence cases are as follows:

- (1) Including but not limited to that neither the person nor his/ her spouse or second-degree relatives is a director, supervisor or employee of the Company or its affiliates.
- (2) Neither the person nor his/ her spouse or second-degree relatives holds (or uses others to hold in his/her name) shares in the Company.
- (3) The person does not serve as a director, supervisor or employee of a company with a specific relationship with the Company (refer to Article 3, Paragraph 1, Sub-paragraph 5~8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies).
- (4) The person has not been compensated for providing commercial, legal, financial, accounting services to the Company or its affiliates for the last two years.

Note 2: Director Cher Wang served as Independent Non-executive Director of Lenovo Group Limited (0992HK).

#### 5. Diversification and independence of the Board

##### (1) Diversification of the Board

In order to strengthen the functions of the Board of Directors and achieve the ideal objectives of corporate governance, the Code of corporate Governance Practices adopted by the Board of Directors of the Company has set out the board diversity policy. According to the policy, the composition of the board of directors of the Company shall consider diversity and select members with diverse backgrounds and views according to the company's operations, operations type and development needs. Factors to be considered include but are not limited to gender, age, nationality, culture, educational background, professional background (such as law, accounting, industry, finance, marketing or technology), professional skills and industry experience.

In addition, considerations for the nomination of board members include a reputation for integrity, outstanding achievement, experience and reputation in various professional fields, a commitment to devote sufficient time to the supervision of the company's business, the ability to

assist in the management of the company, and the ability to contribute to the success of the company. In case of independent directors, their qualifications shall comply with the provisions of the law

In addition, in order to achieve the diversity of background, experience and professional aspects required by the Company's diversity policy and promote diversity of views, the board of directors of the Company shall have at least one director with a background in the electronics industry, at least one director with a major in accounting or finance, at least one director with a major in human resources, and at least one director with leadership and decision-making ability as specific management objectives. Among the company's current seven directors, five directors have a background in the electronics industry, three directors have accounting or finance majors, one director has human resources majors, and seven directors have leadership and decision-making ability, which has achieved the specific management goal of board diversity of the company.

Implementation of the diversification of the members of the Board of Directors is as follows:

Diversified core  Name of director	Nationality	Gender	Being an Employee	Basic				Length of Term		Industry experience					Professional Competencies		
				Age				Less than 3 years	4 to 6 years	Professional Service and Marketing	Finance and Banking	Electronics Industries	Chemistry and Plastics	Human Resource	Risk Management	Accounting	Ability to Lead and Make Decisions
				41~50 yrs old	51~60 yrs old	61~70 yrs old	71~80 yrs old										
Wen-Chi Chen	R.O.C.	Male	-	-	-	✓	-	-	-	✓	○	✓	-	-	✓	-	✓
Cher Wang	R.O.C.	Female	-	-	-	✓	-	-	-	✓	✓	✓	-	-	✓	✓	✓
VIA Technologies, Inc. Representative: Tzu-Mu Lin	R.O.C.	Male	-	-	-	✓	-	-	-	✓	○	✓	-	-	✓	-	✓
VIA Technologies, Inc. Representative: Chu-Wan Chen	R.O.C.	Male	-	-	✓	-	-	-	-	✓	○	✓	-	-	✓	-	✓
Yun-Ming Hsieh (Independent Director)	R.O.C.	Male	-	-	-	-	✓	-	✓	✓	○	-	✓	-	✓	-	✓
Wei-Hsiung Yin (Independent Director)	R.O.C.	Male	-	-	-	✓	-	-	✓	✓	✓	✓	-	-	✓	✓	✓
Pek-Seng Ng (Independent Director)	R.O.C.	Male	-	-	✓	-	-	-	✓	✓	✓	-	-	✓	✓	✓	✓

Note: ✓ Refers to having the ability; ○ Refers to having part of the ability

- A. The seven members of the Company's 6th Board of Directors (including three independent directors) as a whole have the ability to make operational judgments; conduct management administration; conduct crisis management; lead; and make policies decisions; as well as have international market perspectives, industry experiences, and expertise. Among them, Chairman Wen-Chi Chen, Director Tzu-Mu Lin (legal representative), Director Chu-Wan Chen (legal representative), Director Cher Wang, and Independent Director Wei-Hsiung Yin experience in the electronics industry; Independent Director Yun-Ming Hsieh experience in chemistry and plastics industries; Independent Director Wei-Hsiung Yin specializes in financial expertise; Independent Director Pek-Seng Ng specializes in human resources expertise.
  - B. The average length of term of the Directors is 9.9 years. Independent directors Yun-Ming Hsieh, Wei-Hsiung Yin and Pek-Seng Ng are entering the sixth year of the second term. All of the Directors are local citizens, and three Independent Directors account for 42.86% of the composition; none of the Directors is an employee. The age distribution of the Board members is 2 Directors aged 51-60, 4 Directors aged 61-70 and 1 Director aged 71-80.
  - C. The Company values gender equality of the Board of Directors. Although the number of directors of different genders does not yet account for more than one-third (including) of the total number of directors on the Board, but the requirement that at least one of the directors is of a different gender has been made, accounting for 14.29% of the total number of directors. The fact that the total number of female directors has not yet reached the target of one-third of the total number of directors on the Board is due to the characteristics of the industry as it is not easy to recruit talent in a short time. In the future, the Company will strive to increase the number of female directors, and plan to recruit talent from various channels such as the industry or school. In doing so, we aim to improve the corporate governance performance and implement the policy of diversification of the Board of Directors.
- (2) Independence of the Board of Directors

The board of directors of the company has 7 directors, including 3 independent directors, accounting for 42.86% of the composition structure of independent directors. The board of directors is independent and does not have the situation stipulated in Item 3 and Item 4 of Article 26 of the Securities and Exchange Act, and all the independent directors of the board of directors attend the current meeting (the attendance rate of the independent directors' meeting reaches 100%). At

meetings, directors consistently raised constructive questions for management and other directors and often expressed their views independently of management or other directors. Among the members of the board of directors, only Director Wen-Chi Chen and Director Cher Wang are spouses, and there is no spouse or family relationship between independent directors or between directors and independent directors.

## (II) Information of President, Vice-President, Assistant Vice-President, and Heads of Departments and Branches

April 22, 2025; Unit: Shares; %

Title	Nationality	Name	Gender	Date of appointment	Shareholdings		Spouse and minor children's shareholdings		Shares held in the name of others		Experience (Education)	Other Position in the Company	Managers who are spouses or relatives within second degree of kinship			Remarks (Note 1)
					Shares	Shareholdings Ratio	Shares	Shareholdings Ratio	Shares	Shareholdings Ratio			Title	Name	Relationship	
President	R.O.C.	Jyh-Fong Lin	Male	2009/03/03	1,213,000	1.74%	0	0	0	0	Ph.D. in Electrical Engineering, University of Maryland Senior manager, Cirrus Logic Vice-President, VIA Technologies, Inc.	None	Assistant Vice President of Research and Development Department	Hsiaoichi Lin	Brother and sister	None
Chief Operating Officer, Financial and Accounting Officer, and Corporate Governance Officer	R.O.C.	Hung-Wen Chen	Male	2016/01/08	120,000	0.17%	0	0	0	0	Master of Accounting, Soochow University Vice-President, Finance and Accounting Officer, VIA Technologies Co., Ltd.	Director (Representative), Vate Technology Co., Ltd. Chairman (Representative, VIA Labs (Shenzhen), Inc. Chairman, HuiLink Technologies (Xiamen) CO., LTD. Independent Director, Ultra-Pak Industries Co., Ltd. Supervisor, IIH Biomedical Venture Fund I Co., Ltd. Chairman (Representative), Hong Ta Investment Co., Ltd. Director, VIA Labs, (Beijing) Inc. Director of Go-South Urological Research and Education Foundation	None	None	None	None
Vice President of Research and Development Department	R.O.C.	Hsueh-Chung Lu	Male	2017/12/01	213,469	0.31%	0	0	0	0	Master's of EECS, UC Santa Barbara IDT DSP Design Engineer Vice-President, ULSI Vice-President, VIA Technologies Co., Ltd.	Director (Representative), Vate Technology Co., Ltd.	None	None	None	None
Vice President, Product Management Department	R.O.C.	Chin-Sung Hsu	Male	2008/07/09	175,000	0.25%	0	0	0	0	Master's of Information Engineering, National Taiwan University Assistant Vice-President, Asmedia Technology Inc.	None	None	None	None	None
Vice President of Business Department	R.O.C.	Yi-Chia Huang	Male	2016/06/14	100,000	0.14%	0	0	0	0	Master's of Advanced Technology Management, University of South Australia Assistant Vice-President, American Megatrends International, LLC (USA)	None	None	None	None	None
Assistant Vice President of Research and Development Department	R.O.C.	Wen-Yu Tseng	Male	2023/03/01	201,000	0.29%	1,000	0.001%	0	0	Ph.D., Institute of Electrical Engineering, National Taiwan University Manager of VIA Technologies, Inc.	None	None	None	None	None
Assistant Vice President of Research and Development Department (Note 2)	R.O.C.	Hsiaoichi Lin	Female	2025/01/02	47,000	0.07%	0	0	0	0	Master of Electronics, National Chiao Tung University Deputy Director, VIA Technologies Co., Ltd.	None	President	Jyh-Fong Lin	Brother and sister	None
Assistant Vice President, Product Management Department (Note 2)	USA	Terrance Shih	Male	2025.01.02	30,000	0.04%	14,000	0.02%	0	0	Bachelor of Cognitive Science, UC Berkeley Senior Product Marketing Representative, VIA Technologies Co., Ltd.:	None	None	None	None	None

Note 1: The Company does not have a President or equivalent (top managerial officers) who is the same person, a spouse, or a relative within one degree of kinship as the chairman.

Note 2: Since 114.01.02, the title has been promoted to Assistant Vice President.

## II. Remuneration paid to Directors, President and Vice- Presidents for the most recent year

### (I) Remuneration paid to Directors, President and Vice- Presidents

#### 1. Remuneration paid to Directors and Independent Directors: (disclosed by name and payment method)

December 31, 2024

Unit: NT\$'000 ; %

Title	Name	Director's remuneration								Ratio of Total Remuneration (A+B+C+D) to Net Income After Tax (%)		Relevant Remuneration Received by Directors Who are Also Employees								Ratio of Total Compensation (A + B + C + D + E + F + G) to Net Income After Tax (%)		Remuneration from ventures other than subsidiaries or from the parent company	
		Base Compensation (A)		Retirement Pay and Pension (B)		Director Profit-Sharing Compensation (C)		Expenses and Perquisites (D)				Salaries, bonuses and special expenses (E)		Retirement Pay and Pension (F)		Employee Compensation (G)							
		The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company		All companies in the consolidated financial statements		The Company	All companies in the consolidated financial statements		
																Cash	Stock	Cash	Stock				
Chairman	Wen-Chi Chen	0	0	0	0	0	0	0	0	\$ 0	\$ 0	0	0	0	0	0	0	0	0	\$ 0	\$ 0	None	
											0%									0%	0%		0%
Directors	VIA Technologies, Inc. Representative: Tzu-Mu Lin	0	0	0	0	0	0	0	0	\$ 0	\$ 0	0	0	0	0	0	0	0	0	\$ 0	\$ 0	None	
										0%	0%									0%	0%		
		VIA Technologies, Inc. Representative: Chu-Wan Chen	0	0	0	0	0	0	0	0	\$ 0	\$ 0	0	0	0	0	0	0	0	0	\$ 0	\$ 0	22,243
											0%	0%									0%	0%	
	Cher Wang	0	0	0	0	0	0	0	0	\$ 0	\$ 0	0	0	0	0	0	0	0	0	\$ 0	\$ 0	None	
										0%	0%									0%	0%		
	Independent Director	Yun-Ming Shieh	300	300	0	0	300	300	50	50	\$ 650	\$ 650	0	0	0	0	0	0	0	0	\$ 650	\$ 650	None
											0.41%	0.41%									0.41%	0.41%	
Wei-Hsiung Yin			300	300	0	0	300	300	40	40	\$ 640	\$ 640	0	0	0	0	0	0	0	0	\$ 640	\$ 640	None
											0.41%	0.41%									0.41%	0.41%	
Pek-Seng Ng		300	300	0	0	300	300	50	50	\$ 650	\$ 650	0	0	0	0	0	0	0	0	\$ 650	\$ 650	None	
										0.41%	0.41%									0.41%	0.41%		

1. Please describe the policies, system, criteria and structure for the payment of remuneration to Independent Directors. Please also describe the relevance of the amount of remuneration paid to each of them in terms of their respective responsibilities, risks and time commitment.

The remuneration of independent directors of the company includes the traveling expenses for attending the board meetings, the fixed remuneration of the functional committee and the remuneration of directors stipulated in the articles of association of the company. The aforementioned fixed amount of remuneration is recommended by the Company's Remuneration Committee with reference to industry standards and factors such as the time commitment and responsibilities of individual Independent Directors, and approved by the Board of Directors.

2. Except as disclosed in the table above, the directors of the Company in the most recent year have not received remuneration for services rendered to all companies in the financial reports (e.g. as consultants to the parent company/all companies in the financial reports/reinvestment undertakings who are not employees, etc.).

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



## 2. Remuneration paid to President and Vice-Presidents: (aggregate and disclose names by rank)

December 31, 2024

Unit: NT\$1,000; %

Unit: NT\$1,000, %														
Title	Name	Salary (A)		Pension (B)		Bonuses, and Allowances (C)		Employee Compensation (Note 2) (D)				Ratio of Total Remuneration (A + B + C + D) to Net Income After Tax (%)		Remuneration from ventures other than subsidiaries or from the parent company
		The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company		All companies in the consolidated financial statements		The Company	All companies in the consolidated financial statements	
								Cash	Stock	Cash	Stock			
President	Jyh-Fong Lin	33,616	36,827	540	540	7,591	7,591	3,900	0	3,900	0	\$ 45,647 29.03%	\$ 48,858 31.07%	1,710
Vice-President	Hung-Wen Chen													
Vice-President	Hsueh-Chung Lu													
Vice-President	Chin-Sung Hsu													
Vice-President	Yi-Chia Huang													

Note 1: This table is for information disclosure only. Remuneration information disclosed in this statement differs from the concept of income under the Income Tax Act. This statement is not tax-related information.

Note 2: It is the amount of employee remuneration proposed to be distributed by the Board of Directors of the Company 2025.3.11 and the proposed distribution calculated with reference to the actual distribution ratio in the past.

### Scale of remunerations

Scale of Remunerations Paid to the President and Vice Presidents of the Company (Note 1)	Name of President and Vice President	
	The Company	Parent company and all reinvested undertakings
Less than NT\$1,000,000	-	-
NT\$1,000,000 (inclusive) ~ NT\$2,000,000 (exclusive)	-	-
NT\$2,000,000 (inclusive) ~ NT\$3,500,000 (exclusive)	-	-
NT\$3,500,000 (inclusive) ~ NT\$5,000,000 (exclusive)	-	-
NT\$5,000,000 (inclusive) ~ NT\$10,000,000 (exclusive)	Hung-Wen Chen, Hsueh-Chung Lu, Chin-Sung Hsu, Yi-Chia Huang	Hung-Wen Chen, Hsueh-Chung Lu, Chin-Sung Hsu, Yi-Chia Huang
NT\$10,000,000 (inclusive) ~ NT\$15,000,000 (exclusive)	-	-
NT\$15,000,000 (inclusive) ~ NT\$30,000,000 (exclusive)	Jyh-Fong Lin	Jyh-Fong Lin
NT\$30,000,000 (inclusive) ~ NT\$50,000,000 (exclusive)	-	-
NT\$50,000,000 (inclusive) ~ NT\$100,000,000 (exclusive)	-	-
NT\$100,000,000 and above	-	-
Total	5	5

Note 1: Remuneration information disclosed in this statement differs from the concept of income under the Income Tax Act. This statement is intended to provide information disclosure and not tax-related information.

## 3. Remuneration amount of the top five managerial officers of listed companies: Not applicable.

4. Name of manager who allocates employee compensation and the distribution situation: (The summary method discloses the distribution situation)

December 31, 2024  
Unit: NT\$1,000; %

Title		Name	Stock	Cash	Total (Note 1)	Total to net income after tax (%) (Note 2)
Managerial Officer	President	Jyh-Fong Lin	0	4,375	4,375	2.78%
	Vice-President	Hsueh-Chung Lu				
	Vice-President	Hung-Wen Chen				
	Vice-President	Chin-Sung Hsu				
	Vice-President	Yi-Chia Huang				
	Assistant Vice President	Wen-Yu Tseng				

Note 1: It is the amount of employee remuneration proposed to be distributed by the Board of Directors of the Company 2025.3.11 and the proposed distribution calculated with reference to the actual distribution ratio in the past.

Note 2: The Company's net income after tax for 2024 was NT\$157,248 thousand and the Board of Directors resolved to distribute directors' remuneration and employees' remuneration on March 11, 2025.

- (II) Compare and explain the analysis of the total remuneration paid to the Directors, President, and Vice Presidents of the Company in the most recent two years by the Company and all companies in the consolidated financial statements as a percentage of the net income after tax of individual or individual financial reports, and explain the remuneration policies, standards and packages, the procedures for determining remuneration, and the correlation with operating performance

1. Analysis of the ratio of the total remuneration paid to the Directors, President and Vice Presidents of the Company to the net income after tax in the last two years

Unit: NT\$1,000; %

Item	Year Title	2024		2023	
		Total Remuneration	Ratio to Net Income After Tax (%)	Total Remuneration	Ratio to Net Income After Tax (%)
The Company	Directors	1,940	1.23%	1,940	01.07%
	President and Vice-Presidents	45,647	29.03%	28,930	16.02%
	Total	47,587	30.26%	30,870	17.09%
All companies in the consolidated	Directors	1,940	1.23%	1,940	01.07%
	President and Vice-Presidents	48,858	31.07%	30,956	17.14%
	Total	50,798	32.37%	32,896	18.21%

Note: The purpose of this table is for information disclosure purposes. The remuneration disclosed is different from the concept of income under the Income Tax Act and therefore is not taxable.

2. Remuneration policies, standards, and packages, the procedure for determining remuneration, and its correlation with operating performance and future risk exposure.

- (1) Director's remuneration

The remunerations to the Company's directors include transportation expenses for participation in board meetings, fixed remunerations for functional committees, and annual appropriations of directors' remunerations in accordance with the Articles of Incorporation:

A. The remuneration policy for directors is determined in accordance with the "Remuneration Committee Charter" which takes into account not only the overall operational performance of the Company but also the time devoted by individual directors, the responsibilities undertaken, contribution to the Company's performance, future risks, and industry standards, reviewed and approved by the Remuneration Committee and the Board of Directors.

B. The remuneration policy for directors is set out in Article 19 of the Company's Articles of Incorporation. If there is profit in the year, the board of directors may appropriate no more than

1% as the remuneration for directors in accordance with the provisions of the Articles of Incorporation as resolved by the Board of Directors and reported to the Shareholders' Meeting. The 2024 directors' remuneration accounted for approximately 0.44% of the net profit before tax before employees' and directors' remuneration was NT\$900,000, all were distributed in cash.

C. Currently, the fixed remuneration for an independent director to serve as a functional committee member is NT\$10,000 per month per committee member. General directors do not receive fixed remuneration.

(2) Remuneration paid to President and Vice-Presidents

The Company's "Remuneration Management Regulations" specifies the job descriptions and responsibilities of each position, as well as the salary structure of various work allowances and bonuses. The bonuses to managerial officers are determined based on the Company's annual operating performance, financial position, and the results of the performance evaluation conducted every six months in accordance with the "Procedures for Performance Management", which shall be used as a reference for the distribution of bonuses to the President and Vice Presidents. The President's and Vice President's performance evaluation items include financial indicators (the contribution of each business unit to the Company's profit, managerial officer's target achievement rate) and non-financial indicators (the implementation of the Company's core values, operational management capabilities, corporate governance performance). The level of remuneration has been reviewed and approved by the Remuneration Committee and the Board of Directors in accordance with the position assumed, the responsibility undertaken and the contribution to the Company, and with reference to the industry standard. The related compensation and the employees remuneration are approved by the Remuneration Committee and the Board of Directors. The evaluation indicators for variable items include turnover, profit, market share and customer satisfaction, organizational development, talent training and retention.

(3) Target operating performance and future risk control. At the beginning of each year, short, medium and long-term risks are taken into account when formulating corporate strategies, operational plans and annual budgets. Budget implementation is reported to the Audit Committee and the Board of Directors on a quarterly basis. Quarterly reviews of the management team on their achievement rate and contributions, and make rolling adjustments of budgets. This can ensure that risks within the scope of managerial duties are managed and prevented, and that the actual performance of managers is linked to human resources and related remuneration policies.

### III. Implementation of Corporate Governance

(I) Board of Directors operations

A total of 4 meetings (A) of the Board of Directors were held in 2024. The attendance of Directors was as follows:

Title	Name	Actual number of seats (column) (B)	By Proxy	Attendance Rate (%) (B/A)	Remarks
Chairman	Wen-Chi Chen	4	0	100	
Directors	VIA Technologies Co., Ltd.: Tzu-Mu Lin	4	0	100	
Directors	VIA Technologies Co., Ltd.: Chu-Wan Chen	4	0	100	
Directors	Cher Wang	4	0	100	
Independent Director	Yun-Ming Hsieh	4	0	100	
Independent Director	Wei-Hsiung Yin	4	0	100	
Independent Director	Pek-Seng Ng	4	0	100	

Other items to be noted:

- I. If any of the following circumstances applies, the date and session of the meeting, the content of motions, all Independent Directors' opinions, and the Company's response to Independent Directors' opinions should be specified:
- (I) The matters listed in Article 14-3 of the Securities and Exchange Act (please refer to page 46-47 of this annual report (XI) 2. Important resolutions of the board of directors): Approved by all independent directors.
  - (II) In addition to the previous issues, other Board meeting resolutions that have been opposed or qualified by Independent Directors and have records or written statements: None.
- II. If there is any recusal of Director due to conflicts of interests, the Directors' names, contents of motions, causes for recusal and voting should be specified: There is not any motion that is detrimental to the interests of the Company because of the Directors' own interests.
- III. The listed company shall disclose the assessment cycle and period, assessment scope, method, and assessment content of the self- (or peer) assessment by the board of directors, and fill in the following table of Board performance assessment implementation
- (I) According to Article 3 of the Company's "Procedures for Performance Evaluation of the Board of Directors", the 2024 annual Board of Directors performance evaluation was conducted. The internal evaluation scope includes the Board of Directors, individual board members and functional committees. The above performance evaluation results were submitted to the Board of Directors on March 11, 2025. In addition, external professional independent institutions are engaged to conduct a performance evaluation at least once every three years. In 2022, the Taiwan Corporate Governance Association was appointed as the external evaluation agency to conduct the external evaluation of the performance of the Board of Directors.

Performance evaluation - subject and method	Cycle	Period	Scope	Method	Content	Evaluation results
Board of Directors and Board Members - Self-Evaluation	Once per year	2024/1/1-12/31	Performance evaluation of the Board, individual Board members, and functional committees (Remuneration Committee and Audit Committee)	The Company's internal performance evaluation of the Board of Directors is carried out by the Company's corporate governance promotion unit, adopting an internal questionnaire. Internal self-assessment by the Board and individual Board members. An evaluation would be conducted every three years by an external professional and independent organization or a team of external experts through a combination of data analysis, questionnaires and on-site interviews.	1. Performance evaluation of the Board: Engagement in the Company's operation, quality of the decisions made by the Board, the composition and structure of the Board, the election and continuous education of Directors, and internal control. 2. Performance evaluation of individual Board members: Mastery of the Company's objectives and tasks, awareness of Directors' responsibilities, engagement in the Company's operations, internal relations and communication, Directors' expertise and continuous education, and internal control. 3. Performance evaluation of functional committees: Engagement in the Company's operations, awareness of the functional committee's responsibilities, quality of decisions made by the functional committee, composition and election of committee members, internal control.	Please refer to page 19-20 (II) 2024 results of the performance evaluation of the Board of Directors and functional committees.

(II) 2024 results of the performance evaluation of the Board of Directors and functional committees.

1. To carry out corporate governance and enhance the functions of the Board and functional committees, the Company conducts the performance evaluations of the Board and functional committees in accordance with its "Performance Evaluation Policies of the Board of Directors".

2. Evaluation period: January 1 - December 31, 2024

3. The self-evaluation adopted means of questionnaires, and the contents of the questionnaire were presented in five levels, of which the number 1: very poor (strongly disagree); number 2: poor (disagree); number 3: moderate (average); number 4: good (agree); number 5: very good (strongly agree).

4. Statistics of evaluation results:

(1) The self-evaluation of the Board includes the following five aspects and a total of 45 indicators

Self-evaluators: There were 7 persons including Chairman Wen-Chi Chen, Director Cher Wang, Director Tzu-Mu Lin, Director Chu-Wan Chen, Independent Director Yun-Ming Hsieh, Independent Director Wei-Hsiung Yin, and Independent Director Pek-Seng Ng. The evaluation results are listed below.

Five aspects of self-evaluation	Assessment items (items)	Scoring results (points)
A. Engagement in the Company's operations	12	4.929
B. Enhancing the quality of decisions made by the Board	12	5.000
C. Composition and structure of the Board	7	5.000
D. Directors' election and continuous education	7	4.959
E. Internal control	7	5.000
Total	45	4.978

Evaluation: With an overall score of 4.978, the overall operation of the Board of Directors is rated as excellent. The score for "participation in the operation of the Company" is slightly low, mainly due to the attendance of directors at shareholders' meetings, which needs to be further strengthened.

(2) The self-evaluation of individual Board members includes the following six aspects and a total of 23 indicators

Self-evaluators: There were 7 persons including Chairman Wen-Chi Chen, Director Cher Wang, Director Tzu-Mu Lin, Director Chu-Wan Chen, Independent Director Yun-Ming Hsieh, Independent Director Wei-Hsiung Yin, and Independent Director Pek-Seng Ng. The evaluation results are listed below.

Six aspects of self-evaluation	Assessment items (items)	Scoring results (points)
A. Master company goals and tasks	3	5.000
B. Cognition of director's duties	3	5.000
C. Engagement in the Company's operations	8	5.000
D. Internal relationship management and communication	3	5.000
E. Professional and continuing education for directors	3	5.000
F. Internal control	3	5.000
Total	23	5.000

Result: The overall score was 5 points, and the Board members are rated as excellent in the participation of the Board. The Board members are professional and responsible, and the communication is good. The satisfaction in these six aspects is all 5.00.

(3)The self-evaluation of functional committees includes the following five aspects and a total of 24 indicators

Self-evaluators: There were 3 persons including Independent Director Yun-Ming Hsieh, Independent Director Wei-Hsiung Yin, and Independent Director Pek-Seng Ng. The evaluation results are listed below.

Five aspects of self-evaluation	Evaluation Items	Scoring results (points)
A.Engagement in the Company's operations	4	5.000
B.Awareness of a functional committee's responsibilities	7	5.000
C.Enhance quality of decisions made by a functional committee	7	5.000
D.Composition of a functional committee and the election of its members	3	5.000
E.Internal control	3	5.000
Total	24	5.000

Result: The overall score was 5, and the operations of functional committees were excellent. Members of the Remuneration Committee and Audit Committee all gave the highest rating of 5.00 for each of the aspects.

5. Overall result: Good.

In general, the Board of Directors operated well. The Company will continue to strengthen its operations based on the evaluation results of the Board of Directors to improve the effectiveness of corporate governance.

IV. Objectives of strengthening the responsibilities of the Board (e.g., establishing an Audit Committee, enhancing information transparency, etc.), and the evaluation of their implementation in the current year and the most recent year

- (I) Number of Board Meeting attendance by all Directors in 2024 was 28, and the actual attendance was 28, representing a 100% attendance rate.
- (II) Hours of continuing education of every Directors in 2024 fulfilled the requirement of the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPE-Listed Companies".
- (III) The Board meeting attendance rates of the three Independent Directors in 2024 were all 100%, fulfilling the regulation that at least one Independent Director shall be present in person at each Board meeting.

(II) Audit Committee operations					
1. Audit Committee operations					
A total of 4 meetings (A) of the Board of Directors were held in 2024. The attendance of Independent Directors was as follows:					
Title	Name	In Person (B)	By Proxy	Attendance Rate (%) (B/A)	Remarks
Independent Director	Yun-Ming Hsieh	4	0	100	
Independent Director	Wei-Hsiung Yin	4	0	100	
Independent Director	Pek-Seng Ng	4	0	100	
Other items to be noted:					
I. If the Audit Committee operates under any of the following circumstances, the date and session of the meeting, the content of motions, the dissenting opinions, qualified opinions, or significant recommendations, the resolution of the Audit Committee, and the Company's handling of the Audit Committee's opinion shall be stated.					
(I) Matters stipulated in Article 14-5 of the Securities and Exchange Act					
Date of Audit Committee meeting (session)	Content of Motion	Independent director opinion	Handling of Independent Directors' Opinions by the Company	Resolution Results	
2024.03.06 7th meeting of the 2nd term	1. 2023 Business report and financial statements of the Company. 2. 2023 Cash dividends distribution of the Company. 3. 2023 Earnings distribution of the Company. 4. Report on the Company's 2024 financial budget. 5. Audit Officer report. 6. 2023 Internal Control System Statement of the Company. 7. The Company's 2024 CPA independence and suitability evaluation, appointment and compensation proposal. 8. The company's fourth quarter of 2023 employee stock option certificate conversion of the company's common stock to issue new shares.	None	None	Approved	
2024.05.08 8th meeting of the 2nd term	1. Audit Officer report. 2. The Company's financial statements for Q1 2024. 3. The company's first quarter of 2024 employee stock option certificate conversion of the company's common stock to issue new shares.	None	None	Approved	
2024.08.08 9th meeting of the 2nd term	1. Audit Officer report. 2. The Company's financial statements for Q1 and Q2 2024. 3. Amendment to the "Procedures for the Issuance and Exercising of the First Employee Stock Option Certificate in 2019". 4. Amendment to the "Audit Committee Charter". 5. The Company's Q2 2024 employee stock option certificate conversion of the Company's common stock to issue new shares. 6. Signing of authorization contract with its subsidiary, HuiLink Technologies, (Xiamen) Co., Ltd.	None	None	Approved	

	Date of Audit Committee meeting (session)	Content of Motion	Independent director opinion	Handling of Independent Directors' Opinions by the Company	Resolution Results
	2024.10.29 10th meeting of the 2nd term	1. Communication between Deloitte and Touche and the Audit Committee. 2. Audit Officer report. 3. The Company's financial statements for Q1, Q2 and Q3 2024. 4. Formulation of the Company's 2025 audit plan. 5. Formulation of the Company's "Procedures for Sustainability Report Preparation and Verification". 6. Formulation of the Company's "Procedures for Sustainability Information Management". 7. The Company's Q3 2024 employee stock option certificate conversion of the Company's common stock to issue new shares.	None	None	Approved
<p>(II) In addition to the aforementioned matters, any resolutions approved by two-thirds or more of all Directors without the approval of the Audit Committee: none.</p> <p>II. Responsibilities of the Audit Committee</p> <p>Article 6 of the Company's "Audit Committee Charter":</p> <p>(I) Establishing or amending the internal control system in accordance with Article 14-1 of the Securities and Exchange Act.</p> <p>(II) Evaluating the effectiveness of the internal control system.</p> <p>(III) Establishing or amending work procedures for material financial or operating actions of the acquisition or disposal of assets, engaging in derivatives trading, extension of monetary loans to others, endorsements or guarantees for others in accordance with Article 36-1 of the Securities and Exchange Act.</p> <p>(IV) Matters bearing on the personal interest of any Directors.</p> <p>(V) Material assets or derivatives transactions.</p> <p>(VI) Material monetary loans to, endorsements, or guarantees for others.</p> <p>(VII) The offering, issuance, or private placement of any equity-type securities.</p> <p>(VIII) The appointment or dismissal of an attesting CPA, or the compensation given thereto.</p> <p>(IX) The appointment or discharge of a financial, accounting, or internal audit officer.</p> <p>(X) The annual financial report signed or sealed by the Chairman, the management, and the accounting officer, and the Q2 financial report that is subject to review and attestation by the CPA.</p> <p>(XI) Other material matters required by the Company or competent authorities.</p> <p>III. Audit Committee 2024 work focuses</p> <p>Reviewing the Company's financial reports and internal audit reports, supervising significant risks and the implementation of internal control system, and review the independence and competence of the attesting CPA, etc.</p> <p>IV. If there is any recusal of Independent Director due to conflicts of interests, the Directors' names, contents of motions, causes for recusal and voting should be specified: None.</p> <p>V. Descriptions of the communications between the Independent Directors, the internal audit officer, and the CPAs (including the important items, method, and results of the Company's finance or operations, etc.)</p> <p>Meeting held on October 29, 2024 without general directors and management present.</p> <p>(I) Communications between Independent Directors and CPAs</p> <p>1. The Audit Committee provides the internal audit results and the explanation of internal audit opinions on the Company's annual financial statements to the attesting CPAs prior to their auditing of such financial statements. A written communication letter would be sent annually to report the risks of the audit, the key audit issues and the necessary explanations.</p> <p>2. Summary of communications between Independent Directors and CPAs:</p>					



Date	Method	Subject	Results
2024.10.29	Audit Committee	<p>1. The Company appointed Deloitte and Touche to perform the audit of the 2024 financial statements. The certified accountants are Pan-Fa Wang and Chin-Chuan Shih, respectively. In accordance with the provisions of the Audit Standards Bulletin 62 and Deloitte Global Audit Quality policy, the accountants and the audit team will perform the audit of the financial statements, Communicate with the company's audit committee in due course.</p> <p>2. The main purpose of the communication is to explain the auditors' methodology of the audit, their understanding and findings of the company during the planning stage or the conclusion of the audit, and to maintain two-way communication with members of the company's audit committee to strengthen corporate governance.</p>	Acknowledged and agreed
<p>3. The Company evaluates the independence and suitability of the appointed CPAs with reference to the Audit Quality Indicators (AQIs) every year, and obtains the Declaration of Independence issued by the appointed CPAs for the review of the Audit Committee and the Board of Directors. To ensure the independence of the CPAs, it was approved by the 3rd meeting of the 2nd term of Audit Committee on March 6, 2024 and the 7th meeting of the Board of Directors on March 6, 2024 that CPA Pan-Fa Wang and CPA Chin-Chuan Shih from Deloitte and Touche have both met the independence evaluation criteria and were qualified to act as the Company's financial and tax attesting accountants.</p> <p>(II) Communications between Independent Directors and internal Audit Officer</p> <p>1. The Company would submit its audit plan for the following year to the Audit Committee for consideration and approval, and then submits it to the Board of Directors for resolution before the end of a fiscal year.</p> <p>2. After checking the audit report and tracking report, notify the independent director before the end of the month after the completion of the audit project, so that the independent director can understand the audit operation situation.</p> <p>3. The amendment of the internal control system or internal audit system is subject to the approval of the Audit Committee and the resolution of the Board.</p> <p>4. The Company would issue an internal control system statement based on the results of its own evaluation of the design and implementation of the internal control system, which is subject to the approval of the Audit Committee and the resolution of the Board.</p> <p>5. The audit officer may communicate with the Independent Directors by phone or email as needed in the ordinary course of business.</p> <p>6. Summary of communications between Independent Directors and internal audit officer</p>			
Date	Method	Subject	Results
2024.03.06	Audit Committee	2023 Internal Control System Statement of the Company Execution of audit in Q4 2023	Approved and submitted to the Board for resolution Acknowledged and agreed
2024.05.08	Audit Committee	Execution of audit in Q1 2024	Acknowledged and agreed
2024.08.08	Audit Committee	Execution of audit in Q2 2024	Acknowledged and agreed
2024.10.29	Audit Committee	Execution of audit in Q3 2024 2025 audit plan	Acknowledged and agreed Approved and submitted to the Board for resolution

(III) Corporate Governance implementation and its deviations from the “Corporate Governance Best-Practice Principles for TWSE/TPEX-Listed Companies”

Assessment Items	Implementation Status			Deviations from the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”
	Yes	No	Summarized explanation	
I. Does the Company establish and disclose its corporate governance best practice principles in accordance with the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies?”	✓		The Company has established the corporate governance best practice principles by resolution of the Board of Directors on September 26, 2019 and amended its contents on March 20, 2020 pursuant to laws and regulations and future practical operations.	None
II. Shareholding structure and shareholders' rights				
(I) Does the company have internal operation procedures for handling shareholders' suggestions, concerns, disputes and litigation matters and implement the procedures accordingly?	✓		(I) The Company has established a spokesperson system accordingly to deal the matters related to shareholders' suggestions, concerns and disputes, and response to media and investment institutions' inquiries. In the event of litigation, the legal department will handle the matter.	None
(II) Does the company get hold of the major shareholders and beneficial owners of these major shareholders?	✓		(II) The Company has established a stock affairs unit to keep track of the list of major shareholders and their ultimate controllers, and regularly disclose information on the shareholdings of Directors and major shareholders by law.	None
(III) Has the company built and executed a risk management system and “firewall” between the company and its affiliates?	✓		(III) The control between the Company and its affiliates is conducted in accordance with the "Regulations Governing Intercompany Financial Operations of Group Companies" and the "Internal Control System" of the Company, its subsidiaries and affiliates, and relevant laws and regulations, which enable effective risk control.	None
(IV) Does the Company formulate internal regulations that prohibit its insiders from trading marketable securities using non-public information?	✓		(IV) The Company's management values ethical management and pay attention to the prevention of fraud when designing the internal management system. The Company has established the "Management Procedures for Handling Material Inside Information and Preventing Insider Trading" to strictly prohibit insiders from trading marketable securities using non-public information, and educates insiders on the Securities and Exchange Act and related regulations regarding insiders at the beginning of each month to prohibit insiders from being involved in insider trading practices. The Company's managers participated in the training "2024 Insider Trading Prevention Seminar" and "2024 Insider Trading Compliance Seminar" on October 4 and October 25, 2024.	None
III. Composition and responsibilities of the Board of Directors				
(I) Does the board formulate a diversity policy, specific management objectives and guidelines, and implement them?	✓		(I) The composition of the board of directors of the company is based on the company's current operation scale and development plan. The specific management objectives of diversity include paying attention to gender	None

Assessment Items	Implementation Status			Deviations from the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies"
	Yes	No	Summarized explanation	
(II) In addition to the compensation committee and audit committee set up in accordance with the law, does the company voluntarily set up other functional committees?		✓	<p>equality, whether or not to work as an employee of the company, age, experience, professional background, professional skills, industry experience, etc., and have a reputation of integrity, and promise to devote sufficient time to participate in the supervision of the company's business. Have the ability to assist in operation and management and provide suggestions and supervision on the operation of the company; At present, the board of directors of the company is composed of seven directors, three of whom are independent directors. Each director and independent director has complete and rich learning experience. The diversified composition enables the board of directors of the company to play the function of operation decision-making and leadership and supervision, which meets the goal of diversification. Please refer to page 10 to 12 (I) Director information 5. Diversity and independence of the board.</p> <p>(II) At present, in accordance with the provisions of laws and regulations, the compensation committee and audit committee have been set up, and the corporate governance promotion unit, honest operation promotion unit and sustainable development promotion unit have been set up. In the future, the company will choose an appropriate time to set up the compensation committee and audit committee.</p>	Will set up at an appropriate time in the future
(III) Does the Company set up the evaluation guideline and method for the Board and conduct the evaluation annually, as well as submit the evaluation result to the Board meeting as a reference to individual Director's reappointment and remuneration?	✓		<p>(III) The Company's Board of Directors resolved to establish the "Board of Directors' Performance Evaluation Method" on March 20, 2020, and the evaluation was completed by the first quarter of 2024 and submitted to the Board of Directors on March 11, 2025. The Company conducts regular performance evaluations for the Board of Directors annually and by an external professional independent organization or a team of external experts at least once every three years. Please refer to page 19-20 for the 2024 annual performance evaluation results report - III. Implementation of Corporate Governance (I) Board of Directors operations III. (II) Other items to be noted.</p>	None
(IV) Does the company regularly evaluate the independence of the attesting CPAs?	✓		<p>(IV) The Finance Department of the Company evaluates the independence of the CPAs with reference to the Audit Quality Indicators (AQIs) once a year. The results have been submitted to the Audit Committee and the Board of Directors for consideration and approval on March 11, 2025. According to the evaluation results by</p>	None

Assessment Items	Implementation Status			Deviations from the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies"
	Yes	No	Summarized explanation	
			the Company's Finance Department, CPA Pan-Fa Wang and CPA Chin-Chuan Shih from Deloitte and Touche have both met the independence evaluation criteria (Schedule 1) and were qualified to act as the Company's attesting accountants. Deloitte and Touche has also provided an Auditor's Independence Declaration.	
IV. Does the Company have competent and adequate number of corporate governance personnel and assign corporate governance officer to be in charge of corporate governance affairs (including but not limited to furnishing information required for business execution by directors, handling matters relating to board meetings and shareholders' meetings according to laws, handling corporate registration and amendment registration, producing minutes of board meetings and shareholders meetings, etc.)?	✓		The Company has, upon the approval of the Board meeting on March 20, 2020, assigned the Chief Operating Officer, Mr. Hong-Wen Chen, to be the Corporate Governance Officer and set up a corporate governance promotion unit to be concurrently served by the Management Division, so as to protect shareholders' rights and to strengthen the functions of the Board of Directors. The responsibilities of the Corporate Governance Officer are handling Board meeting and Shareholders' Meeting related matters, preparation of minutes of the Board meetings and Shareholders' Meetings, assistance in onboarding and continuing education of the Directors, provision of information required by the Directors to perform their duties, and assistance in the Directors' compliance of law. In 2024, the Company's Corporate Governance Officer completed 12 hours of refresher courses.	None
V. Does the Company establish a communication channel for its stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.) and set up a stakeholder section on its corporate website and response properly to the important CSR issues the stakeholders care about?	✓		<p>The Company sets up stakeholder sections in its corporate website for stakeholders to contact the Company, including:</p> <p>(I) Shareholder/ investor communication: Set up an investor section on the corporate website, announces annual shareholders' meetings, monthly revenue and financial information, holds investor conferences, and provides contact information of the spokesperson and stock affairs agent.</p> <p>(II) Employee communication: The Company holds labor-management meetings regularly to maintain a smooth communication channel between the two parties; disseminates its policies and information openly and immediately company-wide through the internal electronic platform; Established an anonymous "Employee Feedback Section" to listen to valuable suggestions and feedback from employees, as well as ensures all issues raised by employees would be taken seriously by the relevant units, and addressed and responded to properly. The Company facilitates smooth communication with employees through the above measures.</p> <p>(III) Customer communication: The Company elaborates on detailed product information and set up a pressroom, customer satisfaction survey, and contact email on its</p>	None

Assessment Items	Implementation Status			Deviations from the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies"
	Yes	No	Summarized explanation	
			<p>corporate website. It also holds agent meetings monthly to exchange operational industry information and related opinions.</p> <p>(IV) Supplier communication: The Company works with suppliers to establish a sustainable supply chain by requiring them to sign supplier contracts, CSR self-declarations and integrity management agreements, organizing supplier training and testing, and conducting supplier audits.</p> <p>(V) Government agencies communication: The Company cooperates with authorities to carry out various safety compliance inspections, filing forms/official documents, and arranging motion consultations and visits, etc.</p> <p>(VI) Community communication: The Company, from time to time, takes the initiative to meet with community groups to organize charity activities and community care together; it also sets up a window for community groups that is responsible for handling opinions and communicating with them.</p>	
VI. Does the Company appoint a professional stock affairs agent to deal with Shareholders meeting relevant matters?	✓		The Company appoints the Stock Transfer Agent of CTBC as its stock affairs agent.	None
VII. Information disclosure				
(I) Does the Company establish a corporate website to disclose information regarding its financials, business and corporate governance status?	✓		(I) The Company discloses its information on products, financials, corporate governance, and human resources on its corporate website <a href="https://www.via-labs.com/">https://www.via-labs.com/</a>	None
(II) Does the Company adopt other information disclosure channels (e.g. maintaining an English website, designating staff to handle company information collection and disclosure, implementing spokespersons practice, webcasting investor conference etc.?)	✓		(II) The Company, by regulation, discloses its financial and business information regularly and irregularly at the MOPS. The Company also provides some English content on the Company's website disclosing the English version of the product description and annual financial report, organizes investor conferences, simultaneously publishes the relevant information on the Company's website, and has established a spokesperson system.	None
(III) Does the Company announce and file annual financial report within two month after the end of the fiscal year, and file and announce the first, second, and third quarter financial reports and monthly operations before the deadline?		✓	(III) The Company did not announce and file its latest annual financial report within two months after the end of the fiscal year, but has announced and filed its annual financial report and monthly operations prior to the required deadline.	Announcement and declaration completed within the statutory deadline
VIII. Does the Company disclose other information to facilitate a better understanding of its corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, Directors' and Supervisor's training records, the	✓		(I) The Company's Directors are professionals in their respective fields. The Company provides Directors with relevant regulatory information at all times and the management also conducts regular business and financial presentations to Directors. The directors and managers are in	None

Assessment Items	Implementation Status			Deviations from the “Corporate Governance Best- Practice Principles for TWSE/TPEx Listed Companies”
	Yes	No	Summarized explanation	
implementation of risk management policies and risk measurement criteria, the implementation of customer Policies, purchasing of liability insurance for Directors and Supervisors, etc. )?			<p>good condition and the details of their training courses for the year 2024 and up to the printing date of the annual report are set out in Schedule 2 or on the Market Observation Post System.</p> <p>(II) The Company has established and effectively implemented a sound internal control system based on relevant laws and regulations. The Company also conducts risk assessments on major banks, customers, and suppliers to reduce credit risk.</p> <p>(III) The directors of the Company recused themselves from all motions due to conflict of interest.</p> <p>(IV) The Company maintains a smooth communication channel with customers.</p> <p>(V) The directors' liability insurance was taken out on June 1, 2024, in the amount of US\$3,000,000, and is expected to be renewed in June 2025, and the status of the insurance will be reported to the board of directors.</p> <p>(VI) As for the succession of key management personnel, the Company emphasizes not only that the successor should have excellent strategic planning and operational capabilities, but also the belief and practice of honesty, integrity, innovation and courage. The succession team of the Company's Board of Directors and key management are trained by the Group's senior management team, and through internal and external training mechanisms such as professional competence deepening and personal development programs, in the breadth and depth of decision-making and actual operations. The Company expects to spend 5 to 10 years preparing the foundation for succession.</p> <p>(VII) On March 11, 2025, the Company reported the results of intellectual property management to the Board of Directors. In 2024, the Company's 16 invention patents were approved.</p> <p>(VIII) The Company has established a “Information Security Promotion Committee” in 2019 to promote and conduct various information security operations, so as to ensure that the Company's information assets are properly and effectively preserved. The Company received ISO 27001 certification for its information security management system in February 2020 and November 2024, respectively, and reported the implementation of its information security policy to the board of directors on March 11, 2025.</p>	

Assessment Items	Implementation Status			Deviations from the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies"
	Yes	No	Summarized explanation	
			(IX) In order to promote and implement the overall risk management of the company, the general manager serves as the convener to coordinate and direct the promotion and operation of the risk management plan, and the management personnel and employees of all departments under the company participate in the promotion and implementation. The risk management operation situation of 2024 will be submitted to the report of the board of Directors on March 11, 2025. The risk subjects included corporate governance, social and environmental issues, and the sources of risk and the Company's responses to them.	
IX. Please explain the improvements made, based on the latest Corporate Governance Evaluation results published by TWSE Corporate Governance Center in the most recent fiscal year, and propose priorities for enhancement matters and measures for any issues that are to be improved: The Company's corporate governance evaluation score for 2024 ranked in the 51% - 65% range of listed companies.				

Schedule 1:

1. The following table summarizes the independence assessment of CPAs:

Visa accounting firm: Deloitte and Touche

Certified Public Accountants: Pan-Fa Wang, CPA and Chin-Chuan Shih, CPA

Assessment Items	Yes	No
1. Whether the CPAs have involved in any direct or material indirect interests with the Company.	✓	
2. Whether the CPAs have a loan or guarantee to or from the Company's Directors.	✓	
3. Whether or not the CPAs have concerned about the possibility of losing a client and affecting their audit of the Company.	✓	
4. Whether or not the CPAs have significant close business relationship or entered into potential employment negotiations with the Company.	✓	
5. Whether or not the CPAs have not entered into a contingent fee arrangement relating to the assurance engagement.	✓	
6. Whether or not the CPAs or the assurance team member being, or having been a Director, Supervisor, or managerial officer of the Company, or employed by the Company in a position to exert significant influence over the assurance engagement within the last two years.	✓	
7. Whether or not the non-assurance service which performed by the CPAs for the Company would not affects directly a material item of the assurance engagement.	✓	
8. Whether or not the CPAs have or have been promoting or brokering shares or other securities issued by the Company.	✓	
9. Whether or not the CPAs have not acted as an advocate for the Company or coordinated conflicts with other third parties on behalf of the Company.	✓	
10. Whether or not the CPAs have a close or immediate family member who is a Director, Supervisor, or managerial officer of the Company or an employee who is in a position to exert significant influence over the assurance engagement	✓	
11. Whether or not there is a former partner within one year of disassociating from the accounting firm joins the Company as a Director, Supervisor, or managerial officer or is in a key position to exert significant influence over assurance engagement.	✓	
12. Whether or not the CPAs hold a recurring position with the Company and receive a fixed salary.	✓	
13. Whether or not the CPAs are not involved in the Company's management function of making decisions.	✓	
14. As of the date of the most recent attestation, the Company does not have the situation of not changing its CPAs for seven years.	✓	
15. As of now, there is no disciplinary action has been taken against the accountant.	✓	

2. The following is a table of the accountant's suitability assessment:

Assessment Items	Yes	No
1. Whether or not it is qualified as an accountant and able to perform the duties of an accountant.	✓	
2. Whether or not the company has relevant industry knowledge.	✓	
3. Whether or not the audit of financial statements was performed in accordance with generally accepted auditing standards and the Rules Governing the Audit of Financial Statements by Certified Public Accountants.	✓	
4. Whether or not there is no use of accountant status, in the industry and commerce for unfair competition.	✓	



Schedule 2: Continuing education records of Directors and managerial officers

1. Directors continuing education records

Title	Name	Date		Training hours	Training Agency	Course
		From	To			
Chairman	Wen-Chi Chen	2024.07.03	2024.07.03	6	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit
		2024.12.10	2024.12.10	3	Securities and Futures Institute	AI Development and Information Security Risks
Directors	Cher Wang	2024.11.14	2024.11.14	3	Securities and Futures Institute	ESG Sustainable Governance Awareness and Interpretation - Global Net Zero Trend and Countermeasures of Enterprises
		2024.11.14	2024.11.14	3	Securities and Futures Institute	Innovative Mindset for Business Growth in the Age of AI
		2024.12.10	2024.12.10	3	Securities and Futures Institute	AI Development and Information Security Risks
Directors	Tzu-Mu Lin	2024.07.03	2024.07.03	6	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit
		2024.12.10	2024.12.10	3	Securities and Futures Institute	AI Development and Information Security Risks
Directors	Chu-Wan Chen	2024.07.03	2024.07.03	6	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit
Independent Director	Yun-Ming Hsieh	2024.07.03	2024.07.03	6	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit
Independent Director	Wei-Hsiung Yin	2024.07.03	2024.07.03	6	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit
Independent Director	Pek-Seng Ng	2024.07.03	2024.07.03	6	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit

2. Key managerial officers continuing education records

Title	Name	Date		Training hours	Training Agency	Course
		From	To			
President	Jyh-Fong Lin	2024.02.18	2024.02.22	28	IEEE	2024 IEEE ISSCC
Chief Operating Officer, Financial and Accounting Officer, and Corporate Governance Officer	Hung-Wen Chen	2024.07.03	2024.07.03	6	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit
		2024.10.04	2024.10.04	3	Securities and Futures Institute	2024 Annual Insider Trading Prevention Seminar
		2024.10.25	2024.10.25	3	Securities and Futures Institute	2024 Insider Equity Transaction Legal Compliance Education Seminar
		2024.11.25	2024.11.26	12	Accounting Research and Development Foundation	Continuing Education Classes for Accounting Executives of Issuers, Securities Firms and Stock Exchange

Title	Name	Date		Training hours	Training Agency	Course
		From	To			
Vice-President	Hsueh-Chung Lu	2024.05.28	2024.05.30	24	ECTC	ECTC 2024
		2024.09.03	2024.09.03	8	SEMICON TAIWAN	(SEMICON Taiwan 2024) Heterogeneous Integration - Innovations of Advanced System Integration in HPC/AI Era
		2024.09.04	2024.09.04	6	SEMICON TAIWAN	(SEMICON Taiwan 2024) FOPLP Innovation Forum - Heterogeneous Integration International Forum
		2024.09.05	2024.09.05	8	SEMICON TAIWAN	(SEMICON Taiwan 2024) - Heterogeneous Integration System Scale Up: Opportunities and Challenges
		2024.09.06	2024.09.06	6	SEMICON TAIWAN	2024 Heterogeneous Integration International Forum - Innovative Enabling Technology for More-than-Moore Heterogeneous Integration
		2024.10.22	2024.10.22	4	IMPACT	IMPACT 2024
		2024.12.07	2024.12.11	40	IEDM	IEDM 2024
Assistant Vice President	Wen-Yu Tseng	2024.02.19	2024.02.20	16	PCI-SIG	PCI-SIG Taipei DevCon 2024

### 3. Corporate governance officer continuing education records

Title	Name	Date		Training hours	Training Agency	Course
		From	To			
Chief Operating Officer, Financial and Accounting Officer, and Corporate Governance Officer	Hung-Wen Chen	2024.07.03	2024.07.03	6	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit
		2024.10.04	2024.10.04	3	Securities and Futures Institute	2024 Annual Insider Trading Prevention Seminar
		2024.10.25	2024.10.25	3	Securities and Futures Institute	2024 Insider Equity Transaction Legal Compliance Education Seminar
		2024.11.25	2024.11.26	6	Accounting Research and Development Foundation	Continuing Education Classes for Accounting Executives of Issuers, Securities Firms and Stock Exchange

#### (IV) If a Remuneration Committee is established, disclose its composition, responsibilities and operations

1. On June 17, 2022, the board of Directors adopted a resolution and appointed Mr. Yun-Ming Hsieh, Mr. Wei-Hsiung Yin and Mr. Pek-Seng Ng as the members of the second session of the Remuneration Committee, and on October 24, 2022, the remuneration Committee elected Mr. Yun-Ming Hsieh, the independent director, as the convenor.
2. Its main responsibilities and annual work focus are to establish and regularly review the policies, systems, standards and structures for performance evaluation and compensation of Directors and managerial officers, and to regularly evaluate and set the compensation of Directors and managerial officers.
3. Its operations are conducted in accordance with the Company's "Organizational Procedures of Compensation Committee". At least two meetings are held each year.
4. Remuneration Committee member information

Aiming to strengthen corporate governance and improve the remuneration system for the Company's directors and managers, the Company has established the Remuneration Committee on November 13, 2019.

The professional qualifications and independence of the current Remuneration Committee members are shown in the table below:

April 22, 2025

Criteria Title Name		Professional Qualifications and Experience	Independence (Note)	Number of Other Public Companies where the Members Serve as Member of Compensation Committee
Independent Director (Convener)	Yun-Ming Hsieh	Please refer to "4. Professional qualifications of directors and the independence of independent Directors" under page 10 (I) Information on directors	It conforms to all independence cases from (1) to (4).	1
Independent Director	Wei-Hsiung Yin	Please refer to "4. Professional qualifications of directors and the independence of independent Directors" under page 10 (I) Information on directors	It conforms to all independence cases from (1) to (4).	0
Independent Director	Pek-Seng Ng	Please refer to "4. Professional qualifications of directors and the independence of independent Directors" under page 10 (I) Information on directors	It conforms to all independence cases from (1) to (4).	0

Note: Please refer to the descriptions in Note 1 on page 10.

#### 5. Compensation Committee operations

(1) There are 3 members in the Company's Compensation Committee.

(2) The term of office of the current members is from June 17, 2022 to June 16, 2025. There were 2 meetings (A) of the Remuneration Committee held in 2024. The qualifications and attendance of members are as follows:

Title	Name	In Person (B)	By Proxy	Attendance Rate (%) (B/A)	Remarks
Convener	Yun-Ming Hsieh	2	0	100%	
Member	Wei-Hsiung Yin	2	0	100%	
Member	Pek-Seng Ng	2	0	100%	

Other items to be noted:

- I. The function of the Compensation Committee is to evaluate the compensation policies and systems of the Company's Directors and managerial officers from a professional and objective perspective and to make recommendations to the Board of Directors for their reference in making decisions. Its responsibilities include regularly reviewing the Company's Organizational Procedures of the Compensation Committee and making amendment suggestions; setting and regularly reviewing annual and long-term performance objectives for the Company's Directors and managerial officers; formulating and regularly reviewing the salary and compensation policies, system, standard, and structure; regularly evaluating the achievement of the performance objectives of the Company's Directors and managerial officers and setting up the content and amount of their compensation.
- II. If any recommendation of the Compensation Committee was not adopted or was modified by the Board of Directors, the date and session of the meeting, the content of motions, the Board resolution, and the Company's handling of the Compensation Committee's recommendation shall be stated (If the compensation approved by the Board is better than that recommended by the Compensation Committee, the difference and the reasons for the difference shall be stated): none.
- III. If any of the Compensation Committee meeting resolutions have been opposed or qualified by a member and have records or written statements, the date and session of the meeting, the content of motions, all members' opinions, and the Company's handling of the opinions shall be stated: none.
- IV. The resolutions and proposals discussed by the Remuneration Committee in the most recent year are as follows

Remuneration Committee	Proposal content and follow-up treatment	Resolution results	The Company's Handling of Salary and Compensation Committee Opinions
2024.03.05 The 2nd term The 5th meeting	1. 2023 distribution of remuneration to employees (including managers) and directors. 2. Review of Directors' Remuneration for 2024. 3. The company's 2024 annual manager salary adjustment plan.	Approved by all members present at the chairperson's consent.	The proposal was submitted to the Board for discussion and was passed with the consent of all Directors present.
2024.10.28 The 2nd term The 6th meeting	1. 2024 work performance of managers. 2. 2024 managers' remuneration approved by the Board of Directors. 3. The Remuneration Committee's work plan for 2025.	Approved by all members present at the chairperson's consent.	The proposal was submitted to the Board for discussion and was passed with the consent of all Directors present.

(V) The discrepancies between the Company's implementation of sustainable development and "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies". and the reasons thereof and the implementation of climate-related information

1. The discrepancies between the Company's implementation of sustainable development and "Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies". and the reasons thereof

Items to be promoted	Implementation Status			Discrepancies and the reasons
	Yes	No	Summarized explanation	
I. Does the Company create a governance structure for promoting sustainable development, and establish an exclusively (or concurrently) dedicated unit to promote sustainable development, and governed by senior management under the delegation of the Board of Directors? How is the supervision by the Board?	✓		The company has set up a sustainable development promotion unit concurrently chaired by the General manager's office, and leads all departments to formulate sustainability goals and ESG development policies. The responsibilities of relevant departments cooperate with the implementation. The company also regularly reviews the appropriateness of policies, systems and management policies every year and reports the implementation results to the board of Directors regularly. In 2024, the Company changed the name of the unit in charge of promoting sustainable development to the Sustainable Development Committee, with the Chairman as the Committee chairperson, the Corporate Governance Officer as the Director General Manager, and the heads of relevant functional units as the members of the Committee. The Sustainable Development Committee is responsible for future GHG inventory and reduction, and the quarterly reporting of the latest progress to the Board of Directors. The Board of Directors is responsible for supervising the Company's overall sustainable development management guidelines, strategy and goal formulation, and major resolutions, and supervising the effective operation of the sustainable development management mechanism. The implementation of sustainable development in 2024 was reported to the Board of Directors on March 11, 2025.	None
II. Does the company conduct risk assessment on environmental, social and corporate governance issues related to its operations in accordance with the principle of materiality, and establish relevant risk management policies or strategies?	✓		The company has carried out risk assessment of environmental, social and corporate governance issues related to the company's operation in accordance with the principle of materiality. In order to improve the company's corporate governance and implement the risk management of enterprise operation, all relevant departments have	None

Items to be promoted	Implementation Status			Discrepancies and the reasons
	Yes	No	Summarized explanation	
			carried out risk assessment of various issues according to the content of their duties and formulated "risk management Measures." Such as "Code of Corporate Governance Practices", "Code of Ethical Business Practices" to reasonably ensure the achievement of the company's strategic objectives.	
III. Environmental Issues				
(I) Does the Company establish proper environment management systems based on the characteristics of their industries?	✓		(I) In terms of industrial safety and environmental protection, the Company not only strives to comply with domestic environmental, safety, and health related laws and regulations, but also actively connects with international standards. It adopts ISO 9001 Quality Management System and IECQ QC080000 Hazardous Substance Process Management System, and obtains related certifications from the third-party certification authority every year. All of our products comply with True Green Policies, including EU RoHS 2.0 Directive and Halogen Free process. We also require our suppliers not to use hazardous substances in order to meet international customer demands for product safety. In addition, the packaging materials and catalogs of our products are all made of eco-friendly recycled paper and eco-friendly ink to reduce environmental pollution.	None
(II) Does the Company endeavor to utilize energy more efficiently and use renewable materials which have a low impact on the environment?	✓		(II) The company adheres to the concept of energy saving and environmental protection, committed to source improvement, product development and design to low power consumption and energy saving as the core, and the old and new generation of products can be compatible replacement, to achieve the relevant raw material reduction and waste reduction goals, in order to reduce the impact on the environment.	None
(III) Does the Company assess the current and future potential risks and opportunities that climate change may present to enterprises and to adopt related measures?	✓		(III) The company is committed to respond to the current global trend of energy saving and carbon reduction, in order to fulfill the responsibility of global citizens to protect the environment, such as: the control of air conditioning opening hours and temperature control, turn off the lights at will and the full use of energy-saving lamps... We are committed to the global trend of energy saving and carbon reduction in order to fulfill our responsibility as a global citizen to protect the environment.	None
(IV) Does the Company compile statistics on greenhouse gas emissions, volume of water consumption and total weight of waste and to establish policies for energy conservation, carbon and greenhouse gas reduction, reduction of water consumption or management of other wastes?	✓		(IV) The Company always has an industrial safety and environmental protection officer who is responsible for the promotion and execution of environmental protection, safety and health related business, and a "Type A Occupational Safety and Health Business Manager" who is responsible for the development, planning and	None

Items to be promoted	Implementation Status			Discrepancies and the reasons
	Yes	No	Summarized explanation	
			<p>resolution of the company's overall environmental safety and health strategy and the promotion of various proposals. In 2024, the Company's electricity consumption was reduced by 33,979 kw/hr compared to 2023, and emissions were reduced by approximately 17.2 tCO<sub>2</sub>/ The total water consumption in 2024 and 2023 was 2,993 m<sup>3</sup> and 4,079 m<sup>3</sup>, respectively. The decrease in water consumption was a result of the Company's continuous promotion of energy conservation and carbon reduction, and its commitment to the sustainability of the environment. The Company will continue to promote energy conservation and carbon reduction. The industrial waste removal and transportation volume in 2024 and 2023 and weight of industrial waste was 154kg and 440kg respectively. The weight in 2023 increased due to the disposal of industrial waste accumulated in the past year.</p>	
<p>IV. Social issues</p> <p>(I) Does the Company adopt relevant management policies and processes in accordance with relevant laws and regulations, and the International Bill of Human Rights?</p>	✓		<p>(I) Based on the overarching core values of integrity, the Company is committed to creating a respectful and dignified workplace where the employer and employee are harmonious, and supports and respects international labor human rights, including the Universal Declaration of Human Rights and the United Nations Guiding Principles on Business and Human Rights. "Declaration of Fundamental Principles and Rights at Work" of the International Labor Organization, the "Global Compact of Human Rights Policy Program" and the principles of other international human rights covenants, and abiding by the relevant labor laws and regulations of global locations, we shall ensure that the human resource policies do not contain differential treatments based on race, age, gender, sexual orientation, disabilities, pregnancy, socioeconomic status, or marital and family status, so as to protect the legal rights of employees and to establish relevant management rules and procedures by law. We treat all formal employees, contract and temporary personnel with dignity and respect fulfilling the company's human rights policy. Please refer to "(II) Human Rights Policy" on page 74-75 under Chapter "Five. Sustainable Development" of this annual report.</p>	None

Items to be promoted	Implementation Status			Discrepancies and the reasons
	Yes	No	Summarized explanation	
(II) Does the Company establish and implement reasonable employee welfare measures (including remuneration, leave and other welfare etc.) and appropriately reflect the business performance or achievements in the employee remuneration?	✓		(II) The Company regularly refers to the market salary level and the macroeconomic indexes to set up reasonable compensation policies to ensure overall salary competitiveness; as well as set reasonable employee benefits. According to the articles of association of the company, if the company makes profits in the year, it shall allocate no less than 5% to employee remuneration, which links the company's business performance with employee remuneration. The actual allocation rate in 2024 is 8%. In addition, the Company uses the regular performance evaluation mechanism as a two-way communication interactive platform to achieve organizational and personal development, and to give corresponding rewards based on performance results, so as to motivate employees and the Company to grow together. In 2024, managers' and non-managers' salary increases ranged from 1 to 4% and 0 to 4% respectively. In addition, the Company provides benefits that are superior to those required by law, including a leave system that is superior to the Labor Standards Act, participating the labor and national health insurance by law, contributions to labor pensions, employee group insurance, regular health checkups for employees, and sets up an employee welfare committee, provides cash gifts for three tradition festivals, birthday, and employee wedding, the condolence money, privileges in contracted shops, and a variety of club activities. In addition, in order to sympathize with the hard work of the staff, we provide software and hardware services, including: automobile and motorcycle parking, gymnasium, medical and breastfeeding rooms, afternoon snacks and evening lunches, and massage services by blind masseurs, so that the staff can relax after work. At the same time, the Company has contracted with nearby medical institutions and daycare centers to provide employees and their families with assured choices. Please refer to the description of "(I) Employee benefits" of "Five. Sustainable Development" on page 73-74.	None
(III) Does the Company provide safe and healthful work environments for their employees and organize training on safety and health for their employees on a regular basis?	✓		(III) The Company complies with the Occupational Safety and Health Act to provide and maintain a safe and healthy working environment for employees, including the provision of necessary health and first-aid facilities, and is committed to reducing the risk factors to the safety and health of employees. Labor operations are conducted at least	None

Items to be promoted	Implementation Status			Discrepancies and the reasons
	Yes	No	Summarized explanation	
			<p>once every six months. Environmental measurement and environmental improvement are made to eliminate the occurrence of occupational disasters and diseases. The total man-hours worked in 2024 was 336,256 hours. Traffic accidents deducting employees' commuting to and from work were not included in the occupational injury statistics. The Company achieved the goal of zero occupational injuries. The Company has installed two sets of AEDs (automated external defibrillators) in the office area, organizes CPR and psychological first aid seminars on a regular basis, and encourages employees to obtain emergency life saving personnel certification to ensure the rescue timeliness for cardiac arrest emergencies of employees, enhancing the Company's ability to respond to emergencies and accidents.</p> <p>The Company is committed to strengthening and promoting employee safety and health, and implementing safety management in the work environment. To prevent the occurrence of significant abnormal accidents, not only safety and health education and training for new employees were conducted, each year all employees are regularly trained in the use of fire extinguishers, fire hydrant boxes and other fire-fighting equipment, as well as escape drills, and on-the-job trainings for all employees once every three years on occupational safety and health to ensure the safety of employees. For the purpose of health promotion, the Company has established a dedicated "Workplace Promotion Room" with professional and qualified psychological counselors to take charge of employee psychological counseling, arranging regular health checkups, and education on influenza prevention and epidemic prevention measures. External professional physicians are hired once a month to provide workplace health consultation services for employees. At the same time, various body and soul seminars and health promotion courses, weight loss competitions, physical fitness courses, nutrition exercises and occupational safety seminars are regularly held, and the Company has established a comprehensive employee fitness center for employees to use.</p> <p>Please refer to "Five. Sustainable Development" on page 73-74, "(I) Employee Welfare Measures and 4. Employee Safety and Health Care" and "(I) Work Environment and Employee Safety and Protection Measures" on</p>	



Items to be promoted	Implementation Status			Discrepancies and the reasons
	Yes	No	Summarized explanation	
(IV) Does the Company establish effective training programs to foster career skills?	✓		<p>page 78-79.</p> <p>There were no fire accidents in 2024. To prevent fire, the Company performs regular internal inspections and management of hazardous materials, inspections and use of electrical equipment, and safety inspection points. In addition to strengthening the fire alarm system and regular tests, the Administration Department has also established an emergency response team and conducts regularly drills, in order to respond to the fire as quickly as possible and reduce the risk of fire.</p> <p>(IV) With the goal to provide employees with a complete training framework, the Company has established leadership development colleges, professional colleges, foundation colleges, self-development colleges, and external colleges. Each year, the Company formulates training plans based on job duties, proposes education and training needs and budgets, and plans a series of annual trainings, including: IC R&amp;D related professional training, intellectual property related legal training, management training, and personal growth courses or seminars are arranged from time to time. External lecturers are hired to conduct internal education and training, and employees are appointed to participate in work-related professional seminars and training courses to enhance employees' professional knowledge, enable them to effectively exert their potential and creativity, and achieve organizational performance and functional development. It also actively promotes on-line learning so that employee can have the latest and most comprehensive professional knowledge. Please refer to the description of "(IV) Further Education and Training" on page 76 of "Five. Sustainable Development" of this annual report.</p>	None
(V) As for issues regarding customer health and safety and customer privacy involved in, and marketing and labeling of the products and services, does the Company follow relevant laws, regulations and international guidelines to establish relevant policies and grievance procedures to protect the rights of consumers or customers?	✓		<p>(V) The marketing and labeling of the company's products and services shall comply with relevant laws and regulations and international standards, and shall not deceive, mislead, cheat or any other behavior that destroys consumer trust or damages consumer rights and interests.</p> <p>The Company provides all of the product information on its corporate website for inquiry or downloading. Consumer can also use "CONTACT US" to communicate with the Company.</p>	None

Items to be promoted	Implementation Status			Discrepancies and the reasons
	Yes	No	Summarized explanation	
(VI) Does the Company establish supplier management policies and request suppliers to comply with rules governing issues such as environmental protection, occupational safety and health or labor rights? How is the implementation status?	✓		(VI) The Company applies rigorous internal evaluation and investigation procedures on its suppliers. In addition to including whether there is a record of environmental and social impact as an important checkpoint, all products must be provided in compliance with statutory environmental standards.	None
V. Does the Company adopt internationally widely recognized standards or guidelines to produce the sustainability report or other reports that disclose the Company's non-financial information? Does the Company obtain a third-party assurance or verification for the aforementioned reports?	✓		The Company began to prepare its sustainability report in 2024. The Company's sustainability report is prepared in accordance with the internationally accepted reporting guidelines (GRI Standards), and has obtained AA1000 Type 1, moderate assurance, from a third-party verification unit.	None
VI. If a company has its own sustainable development principles formulated in accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies," please describe its operations and its discrepancies from the best practice principles The Company's Board of Directors approved the amendment to the "Corporate Social Responsibility Best Practice Principles" on March 20, 2020, which was renamed as the "Sustainable Development Best Practice Principles" approved by the Board of Directors on November 2022. The operation of the Company is consistent with the spirit and principles of the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.				
VII. Other important information to facilitate better understanding of the implementation of sustainable development: Please refer to "Five. Sustainable Development" of this annual report.				

## 2. Implementation of climate-related information for TWSE/TPEX-listed companies

Item	Implementation Status
1. Describe the monitoring and governance of climate-related risks and opportunities by the Board of Directors and the management.	<p>In response to the high uncertainty of climate and rapid changes in policies and markets, the Company grasps and estimates the possible impacts of climate change in a timely manner, and regularly convenes senior executives of various departments to identify major climate risks and opportunities. At the same time, it further evaluates the possible risks of floods, droughts, typhoons and high temperatures at each operating location, hoping to understand the external climate change and market dynamics, and consider the overall business strategy planning more comprehensively.</p> <p>The Company regularly evaluates the action plans and capital expenditures of important policies for sustainable development (including climate-related issues) of the Company through the sustainable development promotion unit, and reviews, tracks and revises the implementation and effectiveness of sustainable development, and routinely report to the Board of Directors on the relevant implementation.</p>
2. Describe how the identified climate risks and opportunities affect the Company's business, strategy and finance (short-, medium-, and long-term).	<p>The Company actively researches and develops solutions, hoping to reduce the operational and financial impacts of climate change and improve organizational climate resilience.</p> <p>Assess the potential operational and financial impacts of climate-related risks and opportunities to the Company in order to plan various actions in response to climate-related risks and opportunities.</p> <p>Short-term: Inventory the greenhouse gas to understand the company's Scope 1, Scope 2, and Scope 3 greenhouse gas carbon emission.</p> <p>Mid-term: GHG emissions cap, and understanding the impact of carbon tax/fee on the business model and costs.</p> <p>Long-term: Trend of net zero emissions.</p>
3. Describe the financial impact of extreme climate events and transformation actions.	<p>Through internal discussion, inventory and evaluation, the Company has identified floods, droughts, typhoons, earthquakes, and extreme changes in climate patterns that are potential risks during the production or transportation stage. This may result in higher transportation costs and higher operating costs. However, transportation costs account for a low percentage of the Company's operating expenses. However, if extreme weather affects or interrupts the production activities of upstream semiconductor suppliers, there is a risk that the Company's operating</p>

Item	Implementation Status
	<p>activities will be interrupted.</p> <p>Given the transition risks, the transition to a low-carbon economy may require a wide range of changes in policies and regulations, technology and market. Carbon tariffs and caps on greenhouse gases, renewable energy regulations, and changes in consumer preferences may increase operating costs or reduce sales. The Company improves the efficiency of energy use and continues to research and develop innovative green products in order to comply with the low-carbon market trend.</p>
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	<p>According to the Company's Risk Management Regulations, the Board of Directors is the highest decision-making body of the Company's risk control. It promotes and implements the Company's overall risk management goals, and has a clear understanding of the risks faced by the Company's operations. The Audit Committee is also appointed to assist the Board of Directors in carrying out risk management responsibilities. Supervising risk management, regularly reviewing the applicability and execution effectiveness of risk management policies, identifying and managing corporate operational risks, including the physical and transition risks that may be brought about by climate change, and leading the planning of relevant response measures.</p> <p>Based on the business scope of each department, the risk management team identifies and analyzes seven major risks: hazards, operations, finance, strategy, compliance, information security, and others.</p> <p>Each department carries out strategic planning in response to the integration and management of risks that may affect operations and profitability. At least once a year, implementation reports are submitted to the Audit Committee and the Board of Directors to supervise, track and review the implementation of risk management by the management team, in order to strengthen the company's integrity.</p>
5. If a scenario analysis is used to assess the resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors, and main financial impacts used shall be described.	<p>Scenario analysis is a reference for forecasting the future. Qualitative and quantitative analysis of climate models are conducted to assess the resilience of climate change risks under different external conditions. At present, the Company has no plan for scenario analysis.</p>
6. If there is a transition plan in place to manage climate-related risks, specify the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	<p>To achieve the long-term goal of net zero emissions, the Company intends to reduce direct emissions from operating activities (scope 1), indirect emissions from energy use (scope 2), and indirect emissions from the value chain (scope 3).</p> <p>The implementation includes:</p> <p>A. Continue to actively reduce carbon emissions: Research and develop advanced technologies, improve energy productivity and efficiency, and minimize carbon emissions during the manufacturing and product use phases.</p> <p>B. Adoption of renewable energy: The use of renewable energy has been significantly increased and extended throughout the value chain to support the transition to low-carbon energy.</p> <p>C. Investment in net zero technologies: Invest in net zero emission technologies and participate in carbon reduction related projects to offset carbon emissions that are unavoidable or still subject to technical reduction restrictions.</p>
7. If internal carbon pricing is used as a planning tool, the basis for setting the price shall be stated.	<p>The Company has not yet initiated the internal carbon pricing operation, and will continue to understand various laws and regulations to prepare for the carbon pricing in the future.</p>
8. If climate-related goals are set, the activities covered, the scope of greenhouse gas emissions, the planning period, and the progress of each year should be explained; if using carbon offsets or renewable energy certificates (RECs) to achieve the goals, it should be explained of the exchange on the source and quantity of carbon reduction credits or quantity of Renewable Energy Certificates (RECs).	<p>The Company has not yet set climate-related goals, nor has it used carbon offsets or renewable energy certificates (RECs).</p>

Item	Implementation Status										
9. Greenhouse gas inventory and assurance, and reduction goals, strategies, and concrete action plans.	<p>According to the plan of the "Roadmap for the Sustainable Development of Listed Companies", the Company reported to the Board of Directors on April 28, 2022, the Company's greenhouse gas inventory and verification schedule is as follows:</p> <table> <tr> <th>Work Items</th><th>Estimated Completion Time</th></tr> <tr> <td>Establishment of full-time (part-time) units to assess the number of full-time (part-time) employees and the scope of their duties, and establishment of an internal verification unit.</td><td>December 2023</td></tr> <tr> <td>Formulate talent training, strategic goals, control mechanisms, internal verification, and external verification plans.</td><td>December 2023</td></tr> <tr> <td>Completed the GHG inventory of the Company and consolidated subsidiaries.</td><td>March 2026</td></tr> <tr> <td>Completed the GHG verification of the Company and consolidated subsidiaries.</td><td>March 2028</td></tr> </table>	Work Items	Estimated Completion Time	Establishment of full-time (part-time) units to assess the number of full-time (part-time) employees and the scope of their duties, and establishment of an internal verification unit.	December 2023	Formulate talent training, strategic goals, control mechanisms, internal verification, and external verification plans.	December 2023	Completed the GHG inventory of the Company and consolidated subsidiaries.	March 2026	Completed the GHG verification of the Company and consolidated subsidiaries.	March 2028
Work Items	Estimated Completion Time										
Establishment of full-time (part-time) units to assess the number of full-time (part-time) employees and the scope of their duties, and establishment of an internal verification unit.	December 2023										
Formulate talent training, strategic goals, control mechanisms, internal verification, and external verification plans.	December 2023										
Completed the GHG inventory of the Company and consolidated subsidiaries.	March 2026										
Completed the GHG verification of the Company and consolidated subsidiaries.	March 2028										

(VI) Implementation of ethical corporate management, its discrepancies from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM- Listed Companies”, and the reasons thereof

Assessment Items	Implementation Status			Discrepancies and the reasons
	Yes	No	Summarized explanation	
I. Establishing ethical policies and measures				
(I) Does the Company clearly specify ethical corporate management policies, guidelines and the commitments of the Board of Directors and the senior management team to implement the policies in its guide lines and external documents?	✓		(I) The Company has formulated its “Ethical Corporate Management Principles” and “Ethical Corporate Management Procedures and Code of Conduct” upon the resolution of Board meeting and were submitted to the shareholders' meeting for approval. The Company's core values are integrity, innovation, discipline, positivity, customer trust, and a mission to connect the world with innovation and care. Under the management of corporate integrity and ethical norms, all of the Directors, managerial officers, and employees strive to maintain high level of professional ethics. The Company also formulates various internal rules to ensure the implementation of ethical corporate management and legal compliance and publishes the relevant rules on the Company's website for employees to inquire about. The Company's Directors and the management governing laws and regulations have all signed the Ethics Declaration.	None
(II) Does the Company establish relevant risk evaluation mechanism and periodically analyze and evaluate the operating activities with higher possibility of unethical conduct within operation scope, and set up unethical conduct prevention act accordingly and at least include the prevention measures set forth in Article 7 section 2 of the “Ethical Corporate Management Best Practice	✓		(II) The Company's management team values ethical management, it focuses on malpractice prevention in the design of internal management systems, and uses system planning to prevent unethical conduct, so as to reduce the risk of unethical conduct. The Company's Directors, managerial officers, employees, appointees or persons with substantial control of the Company shall not, for the purpose of obtaining or maintaining benefits,	None

Assessment Items	Implementation Status			Discrepancies and the reasons
	Yes	No	Summarized explanation	
<p>Principles for TWSE/GTSM Listed Companies?"</p> <p>(III) Does the Company explicitly set up operation procedures, conduct guideline, disciplinary rules for violations and appeal channel in the unethical conduct prevention act, and implement and periodically review and amend the aforementioned act?</p>	✓		<p>engage in any unethical conduct such as a breach of good faith, a violation of law or a breach of duty of trustee. In the event of any decision or transaction involving a conflict of interest, Directors and managerial officers shall recuse themselves from voting due to the principle of interest avoidance.</p> <p>(III) The Company has formulated its "Ethical Management Procedures and Code of Conduct" and a "Reporting System". Any Director, managerial officer, or employee who is involved in any illegal acts such as violation of the Company's "Ethical Corporate Management Principles" may be reported.</p> <p>Inquiry method: The Company's website, <a href="https://www.via-labs.com">https://www.via-labs.com</a></p>	None
<p>II. Ethical management implementation</p> <p>(I) Does the Company assess ethical records of business counterparties and include ethical business conduct related clauses in the business contracts?</p> <p>(II) Does the Company set up dedicated unit under the Board of Directors in charge of promotion of the ethical corporate management and report the execution/supervision to the Board of Directors periodically (once a year)?</p> <p>(III) Does the Company establish policies to prevent conflicts of interest, provides appropriate communication channels and implement the policies?</p> <p>(IV) Does the Company establish effective accounting systems and internal control systems for the implementation of policies, and the internal audit units forms relevant audit plan based on the risk evaluation result of unethical conduct to audit the implementation situation of unethical conduct prevention or mandate the external auditor to audit the matter?</p>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>		<p>(I) In all contracts or documents relating to the Company's business activities, there are provisions for ethical conduct based on the principle of proportionality.</p> <p>(II) The Company has a "Ethical Corporate Management Promotion Unit" which is held by the Management Division currently. The Company holds ethical management related training courses covering professional ethical conduct norms, intellectual property information management, insider trading prevention, trade secret infringement prevention, internal and customer communication, compliance policies, etc. The Company reviews the implementation of its Ethical Corporate Management Policies and reports to the Board of Directors in the Board meeting on March 11, 2025.</p> <p>(III) The Company's management team attaches importance to the internal audit unit and personnel, and gives them sufficient authority to urge them to confirm and evaluate the deficiencies of the internal control system and to measure the efficiency of operations and being the communicating channel for employees and suppliers. The Company provides directors and managers with regulatory information regarding the recusal of insider interests that requires their attention at all times.</p> <p>(IV) The Company has established effective accounting system and internal control system, and reviews the systems from time to time to ensure their design and implementation continue to be effective. In accordance with the annual audit plan, the internal auditors regularly review and prepare audit reports, submit them to the Audit Committee for review, and submit them to the Board of Directors.</p>	<p>None</p> <p>None</p> <p>None</p> <p>None</p>

Assessment Items	Implementation Status			Discrepancies and the reasons
	Yes	No	Summarized explanation	
(V) Does the Company periodically provide internal or external training courses of ethics corporate management?	✓		(V) The Company includes the promotion of its core values into the new employee orientations, and reinforces the Company's policies based on ethics. At least once a year, the Company organizes education courses to promote the ethical corporate management best practice principles for all employees, and encourage employees to participate in external training courses. In 2024, the Company organized the "Corporate Ethical Management" course, with 238 participants. The internal and external training courses related to ethical management topics were information security, risk management, operational risks, financial risks, labor safety, quality planning and control, with a total of 1,327 participants, and the accumulated training hours were 2,782.	None
III. The channels for reporting any ethical irregularities				
(I) Does the Company set up specific reporting and reward system, convenient reporting channel and assign appropriate and dedicated unit to handle the case?	✓		(I) The Company's "Code of Ethical Conduct" has been approved by the Board of Directors, and a whistle-blowing and reward system has been established. The Audit Office is the reporting acceptance unit and serves as an internal complaint channel for employees; suppliers or customers may provide feedback or complain through the corporate website email or the Company's hotline. There is no breach of ethical management or violation of law currently.	None
(II) Does the Company establish standard operating procedures for the investigation, following measures, and confidentiality mechanism?	✓		(II) The Company's acceptance of reports and investigation operations are on the principle of confidentiality and fairness, and investigators should pay attention to the recusal of their own interests. The Company sets up reporting mail box: Head of Audit Office, VIA Labs, Inc., 7F, No. 529-1, Zhongzheng Rd, Xindian Dist., New Taipei City Reporting number: (886)-2-2218-1838 transfer to the Head of Audit Office. Email: <a href="mailto:ethics.reporting@via-labs.com">ethics.reporting@via-labs.com</a> When the investigation is completed, the investigation unit shall keep the documents and records related to the investigation process for at least five years. In the event of litigation related to the reported contents, the records shall continue to be kept until the end of the litigation.	None
(III) Does the Company adopt protection measures of unfair treatment for whistleblowers?	✓		(III) The identity of the whistleblower is protected, in principle, to prevent him/her from improper treatment as a result of the reporting.	None

Assessment Items	Implementation Status			Discrepancies and the reasons
	Yes	No	Summarized explanation	
IV. Enhancing disclosure of information Does the Company disclose the content and the implementation status of the Ethical Corporate Management Principles on the Company's website and MOPS?	✓		The company website establishes corporate finance, business-related information and corporate governance information for reference by shareholders and stakeholders. The Company discloses its implementation of ethical corporate management on the corporate website and the annual report, as well as the "Ethical Corporate Management Principles" and "Ethical Corporate Management Procedures and Code of Conduct."	None
V. If the company has established Ethical Corporate Management Principles based on "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies", please describe any discrepancy between the principles and their implementation: The Company has formulated its "Ethical Corporate Management Principles" per the Board resolution on March 20, 2020. Its implementation status and content are no different from those regulated in the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies."				
VI. Other important information to facilitate better understanding of the Company's Ethical Corporate Management (e.g. discussions in how the Company can further revise its ethical corporate management principles): none.				

(VII) Other Important Information to facilitate better understanding of the Company's corporate governance implementation

The Company has established the "Internal Material Information Processing and Prevention of Insider Trading Management Operating Procedures" to avoid the company or its insiders from accidentally touching or intending to violate the relevant provisions of insider trading due to their ignorance of laws or other regulations, so as to protect investors and safeguard the rights and interests of the Company; At least once a year, the management office of the company will publicize the prevention of insider trading and other relevant laws and regulations to colleagues, and put this method on the company website for inquiry, the website is [https://www.via-labs.com/investor\\_rules.php](https://www.via-labs.com/investor_rules.php).

The Company continuously enhances its corporate governance and sets up a "Corporate Governance Section" in the Company's website to describe its implementation status. The website also provides relevant rules for download and inquiry, as well as announces material information timely.

(VIII) Execution of Internal Control System

1. Internal control statement

The Company's Statement of Internal Control System has been uploaded to the Market Observation Post System (MOPS). For details, please refer to the following website : <https://mopsov.twse.com.tw/mops/web/t06sg20>

Website path: MOPS / Listed Company / Corporate Governance / Company Regulations / Internal Control / Internal Control Statement Announcement.

2. If a public company mandates a CPA to conduct a special audit on its internal control system, the CPA's audit report shall be disclosed: Not applicable.

(IX) Material resolutions of a shareholders meeting or a board of directors meeting during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report

1. Resolutions of Shareholders' Meeting and their implementation

(1) The Company's 2024 Annual General Meeting of Shareholders was held on June 20, 2024, at Hall D, 2/F., Taipei Silicon Valley International Convention Center, No. 223, Sec. 3, Beixin Road, Xindian District, New Taipei City, Taiwan. The resolutions of the shareholders present and the implementation status thereof are as follows:

Major Resolutions	Implementation Status
<p>I. Matters for ratification:</p> <p>1. Ratification of 2023 Business report and financial statements of the Company.</p> <p>2. Ratification of 2023 Earnings distribution of the Company.</p> <p>II. Matters for discussion:</p> <p>Modification of the Articles of Incorporation.</p> <p>III. Provisional motion:</p>	<p>The resolution was approved, and the relevant statements were submitted to the competent authorities for reference and announcement in accordance with the relevant requirements. The motion was approved that the base date of distribution was set as April 26, 2024, and a cash dividend of NT\$2.0 per share be issued on May 22, 2024.</p> <p>The motion was approved and the change of registration was approved by Ministry of Economic Affairs on July 12, 2024, published on the Company's website and the amended Articles of Incorporation has been implemented.</p> <p>None.</p>

## 2. Important resolutions of the Board meetings

There were a total of 6 Board meetings in 2024 and up to the publication date of the annual report, and the main resolutions passed are as follows:

Date	Major Resolutions
2024.03.06	<ol style="list-style-type: none"> <li>1. Report on the Company's greenhouse gas inventory and verification schedule planning</li> <li>2. 2023 Board of Directors Performance Evaluation Report.</li> <li>3. Report on the implementation of 2023 intellectual property management plan.</li> <li>4. 2023 Information Security Promotion Report.</li> <li>5. Report on ethical corporate management promotion in 2023.</li> <li>6. 2023 Annual Report on the promotion of sustainable development.</li> <li>7. Report on risk management implementation in 2023.</li> <li>8. Report on the performance of audit operations by the Audit Officer</li> <li>9. 2023 Business report and financial statements of the Company.</li> <li>10. 2023 Employees' and Directors' compensation distribution.</li> <li>11. 2023 Cash dividends distribution of the Company.</li> <li>12. 2023 Earnings distribution of the Company.</li> <li>13. Report on the Company's 2024 financial budget.</li> <li>14. Review of Directors' Remuneration for 2024.</li> <li>15. The company's 2024 annual manager salary adjustment plan.</li> <li>16. 2023 Internal Control System Statement of the Company.</li> <li>17. The Company's 2024 CPA independence and suitability evaluation, appointment and compensation proposal.</li> <li>18. Modification of the Articles of Incorporation.</li> <li>19. The company's fourth quarter of 2023 employee stock option certificate conversion of the company's common stock to issue new shares.</li> <li>20. Decision on the 2024 general shareholders' meeting date, time, place, agenda, and shareholder proposal acceptance related matters.</li> </ol>
2024.05.08	<ol style="list-style-type: none"> <li>1. Report on the Company's greenhouse gas inventory and verification schedule planning</li> <li>2. Report on the performance of audit operations by the Audit Officer</li> <li>3. The Company's financial statements for Q1 2024.</li> <li>4. Amendments to the "Risk Management Regulations."</li> <li>5. The company's first quarter of 2024 employee stock option certificate conversion of the company's common stock to issue new shares.</li> </ol>
2024.08.08	<ol style="list-style-type: none"> <li>1. Report on the Company's greenhouse gas inventory and verification schedule planning</li> <li>2. Report on 2024 "Liability insurance for Directors, Supervisors, and managerial officers".</li> <li>3. Report on the results of corporate governance evaluation.</li> <li>4. Report on the performance of audit operations by the Audit Officer.</li> <li>5. The Company's financial statements for Q1 and Q2 2024.</li> <li>6. Amendment to the "Procedures for the Issuance and Exercising of the First Employee Stock Option Certificate in 2019".</li> <li>7. Amendment to the "Rules of Procedure for Board of Directors' Meeting".</li> <li>8. Amendment to the "Audit Committee Charter".</li> <li>9. The Company's Q2 2024 employee stock option certificate conversion of the Company's common stock to issue new shares.</li> <li>10. Signing of authorization contract with its subsidiary, HuiLink Technologies, (Xiamen) Co., Ltd.</li> </ol>



Date	Major Resolutions
2024.10.29	<ol style="list-style-type: none"> <li>1. Report on the Company's greenhouse gas inventory and verification schedule planning</li> <li>2. Report on the performance of audit operations by the Audit Officer.</li> <li>3. The Company's financial statements for Q1, Q2 and Q3 2024.</li> <li>4. Formulation of the Company's 2025 audit plan.</li> <li>5. Formulation of the Company's "Procedures for Sustainability Report Preparation and Verification".</li> <li>6. Formulation of the Company's "Procedures for Sustainability Information Management".</li> <li>7. Formulation of the Company's "Human Rights Policy" of the Company.</li> <li>8. The 2024 work performance and remuneration of the Company's managers pending approval.</li> <li>9. The Company's Q3 2024 employee stock option certificate conversion of the Company's common stock to issue new shares.</li> </ol>
2025.03.11	<ol style="list-style-type: none"> <li>1. Report on the Company's greenhouse gas inventory and verification schedule planning</li> <li>2. Report on 2024 Board of Directors performance evaluation.</li> <li>3. Report on 2024 implementation of intellectual property management plan.</li> <li>4. Report on 2024 information security promotion.</li> <li>5. Report on 2024 ethical corporate management promotion.</li> <li>6. Report on 2024 promotion of sustainable development.</li> <li>7. Report on 2024 risk management implementation.</li> <li>8. Report on the performance of audit operations by the Audit Officer</li> <li>9. The Company's 2024 business report and financial statements of the Company.</li> <li>10. The Company's 2024 remuneration distribution for employees and directors.</li> <li>11. The Company's 2024 cash dividend distribution.</li> <li>12. The Company's 2024 earnings distribution.</li> <li>13. The Company's 2025 financial budget.</li> <li>14. The Company's 2025 remuneration to directors.</li> <li>15. The Company's 2025 change in managers and salary adjustment plan.</li> <li>16. The Company's 2024 Internal Control System Statement.</li> <li>17. The Company's 2025 CPA independence and suitability evaluation, appointment and remuneration.</li> <li>18. Modification of the Articles of Incorporation.</li> <li>19. The Company's Q4 2024 employee stock option certificate conversion of the Company's common stock to issue new shares.</li> <li>20. Endorsement and guarantee amount provided to the subsidiary, HuiLink Technologies, (Xiamen) Co., Ltd.</li> <li>21. The Company is to issue 2,000,000 shares of employee stock options and establish the "Procedures for the Issuance and Exercising of the First Employee Stock Option Certificate in 2025".</li> <li>22. Reelection of all Directors (including Independent Directors).</li> <li>23. Motion of the period for accepting the nomination of Director candidates, the quota of Directors to be elected, and the place designated for accepting the roster of Director candidates nominated.</li> <li>24. Decision on the 2025 general shareholders' meeting date, time, place, agenda, and shareholder proposal acceptance related matters.</li> </ol>
2025.05.09	<ol style="list-style-type: none"> <li>1. Report on the Company's greenhouse gas inventory and verification schedule planning</li> <li>2. Report on the performance of audit operations by the Audit Officer</li> <li>3. The Company's financial statements for Q1 2025.</li> <li>4. Nomination of the List of candidates nominated for Directors (including Independent Directors).</li> <li>5. Motion of relieving the noncompetition restrictions for new Directors and their representatives.</li> <li>6. Provision of endorsement and guarantee to the subsidiary, HuiLink Technologies, (Xiamen) Co., Ltd.</li> <li>7. The Company is to apply for a short-term credit line of US\$6 million from a correspondent bank.</li> <li>8. Modification of the Articles of Incorporation.</li> <li>9. The Company's Q1 2025 employee stock option certificate conversion of the Company's common stock to issue new shares.</li> </ol>

(X) Major issues of record or written statements made by any Director dissenting to important resolutions passed by the Board of Directors during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: None.

#### IV. Information on CPA professional fees

- (I) The amount of audit and non-audit fees paid to CPAs, CPA firm, CPA firm's affiliates, as well as the non-auditing services

Unit: NT\$1,000

CPA Firm	CPA	Audit Period	Audit Fee	Non-Audit Fee			Total	Remarks
				Tax attestation	Others (Remarks)	Subtotal		
Deloitte and Touche	Pan-Fa Wang	2024.01.01-2024.12.31	2,210	270	89	359	2,569	Including document and photocopies and transportation cost totaling NT\$89 thousand.
	Chin-Chuan Shih							

- (II) When the Company changes its CPA firm and the audit fees paid for the fiscal year in which such change takes place are lower than those for the previous fiscal year, the amounts of the audit fees before and after the change and the reasons shall be disclosed: None.
- (III) When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 10 percent or more, the reduction in the amount of audit fees, reduction percentage, and reason(s) therefore shall be disclosed: None.

#### V. Information on replacement of CPA

If the Company changed CPAs in the most recent two years and beyond, it shall disclose matters relating to former accountants and successor accountants: Since the first quarter of 2023, as a result of internal adjustments in the CPA firm, the attesting CPAs Shu-Lin Liu and Chin-Chuan Shih were replaced by CPAs Pan-Fa Wang and Chin-Chuan Shih.

## (I) The former CPA

Date of change	March 8, 2023 (Board resolution date)		
Reason for replacement and description	Due to the internal adjustment of Qinye Zhongxin United Certified Public Accountants, the former accountants Shu-Lin Liu and Chin-Chuan Shih have been replaced by Accountants Pan-Fa Wang and Chin-Chuan Shih since the first quarter of 2023.		
Due to the appointer terminates or the CPA does not accept the appointment	<div>Party</div> <div>Situation</div>	CPA	Appointer
	Voluntarily terminate appointment	Not Applicable	Not Applicable
	Do not accept (continued) appointment	Not Applicable	Not Applicable
Opinions and reasons for an audit report other than unqualified opinions issued within the most recent two years	None		
Disagreement with the issuer	Yes		Accounting principles or practices
			Disclosure of financial reports
			Audit scope or steps
			Other
	None	✓	
	Description		
Other disclosure (Things to be disclosed in Item 1-4 to 1-7, Subparagraph 6, Article 10 of the Guidelines)	None		

## (II) The successor CPA

CPA Firm	Deloitte and Touche
CPA	Pan-Fa Wang and Chin-Chuan Shih
Date of appointment	March 9, 2023 (Board resolution date)
Before appointment, the accounting treatment methods or accounting principles of specific transactions and the possible issuance of financial reports and consultation matters and results	None
Written opinion of the successor CPA on the dissenting opinion of the former CPA	None

- (III) Former CPA's reply on Item 1 and Item 2-3, Subparagraph 6, Article 10 of the Regulations Governing Information to be Published in Annual Reports of Public Companies: None.
- (IV) Assessment of CPA's Independence

The financial center of the Company evaluates the independence of CPAs once a year with reference to the Audit Quality Indicators (AQIs). The independence evaluation table is shown in the following table, and obtains the Declaration of Independence issued by the CPAs. It has been assessed that the CPAs meet the Company's independence assessment criteria and is sufficient to serve as the Company's CPA. The assessment results was submitted to the Audit Committee for review and approval by the Board of Directors on March 6, 2024.

The following table summarizes the independence assessment of CPAs:

Assessment Items	Yes	No
1. Whether the CPAs have involved in any direct or material indirect interests with the Company.	✓	
2. Whether the CPAs have a loan or guarantee to or from the Company's Directors.	✓	
3. Whether or not the CPAs have concerned about the possibility of losing a client and affecting their audit of the Company.	✓	
4. Whether or not the CPAs have significant close business relationship or entered into potential employment negotiations with the Company.	✓	
5. Whether or not the CPAs have not entered into a contingent fee arrangement relating to the assurance engagement.	✓	
6. Whether or not the CPAs or the assurance team member being, or having been a Director, Supervisor, or managerial officer of the Company, or employed by the Company in a position to exert significant influence over the assurance engagement within the last two years.	✓	
7. Whether or not the non-assurance service which performed by the CPAs for the Company would not affects directly a material item of the assurance engagement.	✓	
8. Whether or not the CPAs have or have been promoting or brokering shares or other securities issued by the Company.	✓	
9. Whether or not the CPAs have not acted as an advocate for the Company or coordinated conflicts with other third parties on behalf of the Company.	✓	
10. Whether or not the CPAs have a close or immediate family member who is a Director, Supervisor, or managerial officer of the Company or an employee who is in a position to exert significant influence over the assurance engagement	✓	
11. Whether or not there is a former partner within one year of disassociating from the accounting firm joins the Company as a Director, Supervisor, or managerial officer or is in a key position to exert significant influence over assurance engagement.	✓	
12. Whether or not the CPAs hold a recurring position with the Company and receive a fixed salary.	✓	
13. Whether or not the CPAs are not involved in the Company's management function of making decisions.	✓	
14. As of the date of the most recent attestation, the Company does not have the situation of not changing its CPAs for seven years.	✓	
15. As of now, there is no disciplinary action has been taken against the accountant.	✓	

**VI. If the Company's Chairman, President, or any managerial officer in charge of finance or accounting matters has, in the most recent year, held a position at the CPA firm or any affiliates of such CPA firm, their names, titles, and period of employment with the CPA firm or its affiliates shall be disclosed: None.**

**VII. Information on shareholding transfer and pledge by Directors, managerial officers, and shareholders with over 10% shareholding in the most recent year and up to the printing of the annual report**

(I) Changes in Shareholding

Unit: shares

Title	Name	2024		Current Year As of April 22, 2025	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Chairman	Wen-Chi Chen	0	0	0	0
Directors	Cher Wang	0	0	0	0
Directors	VIA Technologies Co., Ltd.	0	0	159,000	0
	Representative: Tzu-Mu Lin	0	0	0	0
Directors	VIA Technologies Co., Ltd.	0	0	159,000	0
	Representative: Chu-Wan Chen	0	0	0	0
Independent Director	Yun-Ming Hsieh	0	0	0	0
Independent Director	Wei-Hsiung Yin	0	0	0	0
Independent Director	Pek-Seng Ng	0	0	0	0
President	Jyh-Fong Lin	0	0	0	0
COO (Note 1)/ Finance/ Accounting Officer Corporate Governance Officer	Hung-Wen Chen	4,000	0	40,000	0
Vice General Manager of Research and Development Department	Hsueh-Chung Lu	0	0	0	0
Vice-President, Product Management Division	Chin-Sung Hsu	28,000	0	0	0
Vice General Manager of Business Department	Yi-Chia Huang	27,000	0	25,000	0
Assistant Vice President, Research and Development Department	Wen-Yu Tseng	17,000	0	0	0
Assistant Vice President, Product Management Department (Note 2)	Terrance Shih	Not Applicable	Not Applicable	0	0
Assistant Vice President, Research and Development Department (Note 2)	Hsiaoichi Lin	Not Applicable	Not Applicable	0	0
Shareholder with over 10% shareholding	VIA Technologies Co., Ltd.	0	0	159,000	0

Note 1: Been promoted to COO since 2025.1.2.

Note 2: Since 2025.1.2, the title has been promoted to Assistant Vice President.

(II) Information on the shareholding transfer of which the counter-party is a related party: None.

(III) Information on the shareholding pledge of which the counter-party is a related party: None.

**VIII. Information on top ten shareholders who are related parties to each other, or are spouses or relatives within the second degree kinship to each other.**

April 22, 2025

Name	Shareholding		Spouse and minor children's shareholdings		Shareholding by Nominee Arrangement		The names of top ten shareholders who are related parties to each other, or who are spouses or relatives within the second degree of kinship, and their relationships.		Remarks
	Shares	Ratio	Shares	Ratio	Shares	Shareholdings Percentage	Name	Relationship	
VIA Technologies Co., Ltd. (Representative: Wen-Chi Chen)	39,002,000	55.82%	0	0	0	0	Cher Wang	Directors	○ Z
Jyh-Fong Lin	1,213,000	1.74%	0	0	0	0	None	None	○ Z
Hsin-Tong Investment Co., Ltd. (Representative: Su-Lan Chiang)	514,437	0.74%	0	0	0	0	Wei-Lian Hung-Mao Way-Chih Kun-Chang Cher Wang	Same Chairman Same Chairman Same Chairman Same Chairman Directors	None
Hung Mao Investment Co., Ltd. (Representative: Su-Lan Chiang)	491,021	0.70%	0	0	0	0	Wei-Lian Hsin-Tong Way-Chih Kun-Chang Cher Wang	Same Chairman Same Chairman Same Chairman Same Chairman Directors	None
Way-Chih Investment Co., Ltd. (Representative: Su-Lan Chiang)	462,939	0.66%	0	0	0	0	Wei-Lian Hsin-Tong Hung-Mao Kun-Chang Cher Wang	Same Chairman Same Chairman Same Chairman Same Chairman Directors	None
Kun-Chang Investment Co., Ltd. (Representative: Su-Lan Chiang)	450,360	0.64%	0	0	0	0	Wei-Lian Hsin-Tong Hung-Mao Way-Chih Cher Wang	Same Chairman Same Chairman Same Chairman Same Chairman Directors	None
Capital Securities Holdings Inc.	445,000	0.64%	0	0	0	0	Hsin-Tong Hung-Mao Way-Chih Kun-Chang Cher Wang	Same Chairman Same Chairman Same Chairman Same Chairman Directors	and CW & LT
Cher Wang	379,072	0.54%	80,497	0.12%	0	0	Via Wei-Lian Hsin-Tong Hung-Mao Way-Chih Kun-Chang	Directors Directors Directors Directors Directors Directors	None
JP Morgan Chase Entrusted Vanguard Emerging Markets Stock Index Fund	354,000	0.51%	0	0	0	0	None	None	ne No
JP Morgan Chase Entrusted Advanced Starlight Global Growth Fund	348,000	0.50%	0	0	0	0	None	None	ne No

**IX. Ownership share amount and percentage to the same company invested by the Company, by the Company's Directors and managerial officers, and by companies directly/indirectly controlled by the Company**

December 31, 2024 Unit: shares; %

Reinvestment business	The Company's investment		Ownership by Directors, Managerial Officers, or Companies Directly/Indirectly Controlled by the Company		Total Ownership	
	Shares	Ratio	Shares	Ratio	Shares	Ratio
VIA LABS USA, INC.	300,000	100%	0	0%	300,000	100%
VIA Labs (Shenzhen), Inc.	(Note 1)	100%	(Note 1)	0%	(Note 1)	100%
VIA Labs (Beijing), Inc.	990,000	99%	10,000	1%	1,000,000	100%
HuiLink Technologies, (Xiamen) Co., Ltd.	(Note 1)	55%	(Note 1)	45% (Note 2)	(Note 1)	100%

Note 1: Limited company with no shares issued

Note 2: In March 2024, VIA Labs, Inc. and VIA Labs (Shenzhen), invested RMB 20,350 thousand and RMB 16,650 thousand, respectively, to establish HuiLink Technologies, (Xiamen) Co., Ltd. with a shareholding ratio of 55% and 45%, respectively.

## Three. Capital Overview

### I. Capital and shares

#### (I) Source of capital

April 22, 2025

Unit: thousand shares; NT\$'000

Year	Month	Issue price (NT\$)	Authorized Capital		Paid-in Capital		Remarks		
			Shares	Amount	Shares	Amount	Source of capital	Paid in Property Other than Cash	Others
1998	July	10	60,000	600,000	20,000	200,000	Incorporated by a capital of NT\$200,000 thousand	None	(Note 1)
2000	October	10	60,000	600,000	45,000	450,000	Cash capital increase of NT\$250,000 thousand	None	(Note 2)
2017	December	10	60,000	600,000	60,000	600,000	Cash capital increase of NT\$20,000 thousand NT\$130,000 thousand of stock options were transferred to capital increase	None	(Note 3)
2018	July	10	100,000	1,000,000	60,000	600,000	None	None	(Note 4)
2020	December	10	100,000	1,000,000	67,500	675,000	Cash capital increase of NT\$75,000 thousand	None	(Note 5)
2022	March	10	100,000	1,000,000	68,117	681,170	Exercise of employee share subscription warrants by NT\$6,170 thousand	None	(Note 6)
2022	May	10	100,000	1,000,000	68,478	684,780	Exercise of employee share subscription warrants by NT\$3,610 thousand	None	(Note 7)
2022	August	10	100,000	1,000,000	68,497	684,970	Exercise of employee share subscription warrants by NT\$190 thousand	None	(Note 8)
2022	November	10	100,000	1,000,000	68,511	685,110	Exercise of employee share subscription warrants by NT\$140 thousand	None	(Note 9)
2023	March	10	100,000	1,000,000	68,759	687,590	Exercise of employee share subscription warrants by NT\$2,480 thousand	None	(Note 10)
2023	May	10	100,000	1,000,000	69,002	690,020	Exercise of employee share subscription warrants by NT\$2,430 thousand	None	(Note 11)
2023	August	10	100,000	1,000,000	69,009	690,090	Exercise of employee share subscription warrants by NT\$70 thousand	None	(Note 12)
2023	December	10	100,000	1,000,000	69,074	690,740	Exercise of employee share subscription warrants by NT\$650 thousand	None	(Note 13)
2024	April	10	100,000	1,000,000	69,371	693,710	Exercise of employee share subscription warrants by NT\$2,970 thousand	None	(Note 14)
2024	May	10	100,000	1,000,000	69,561	695,610	Exercise of employee share subscription warrants by NT\$1,900 thousand	None	(Note 15)
2024	September	10	100,000	1,000,000	69,574	695,740	Exercise of employee share subscription warrants by NT\$130 thousand	None	(Note 16)
2024	November	10	100,000	1,000,000	69,726	697,260	Exercise of employee share subscription warrants by NT\$1,520 thousand	None	(Note 17)
2025	April	10	100,000	1,000,000	69,777	697,770	Exercise of employee share subscription warrants by NT\$510 thousand	None	(Note 18)

Note 1: Jing-Shou-Zhong-Zi No. 09732597710 approval letter dated Jul. 7, 2008 from the Ministry of Economic Affairs.

Note 2: Approval Letter Bei-Fu-Jing-Deng-Zi No. 0993162332 dated October 14, 2010 of Taipei County Government.

Note 3: Jing-Shou-Shang-Zi Approval Letter No. 10601172570 dated December 26, 2017 of the Ministry of Economic Affairs.

Note 4: Jing-Shou-Shang-Zi Approval Letter No. 10701080610 dated July 13, 2018 by the Ministry of Economic Affairs.

Note 5: Jing-Shou-Shang-Zi Approval Letter No. 10901246490 dated January 11, 2021 from the Ministry of Economic Affairs.

Note 6: Jing-Shou-Shang-Zi Approval Letter No. 11101046390 dated March 25, 2022 by the Ministry of Economic Affairs.

Note 7: Jing-Shou-Shang-Zi Approval Letter No. 11101081840 dated May 26, 2022 by the Ministry of Economic Affairs.

Note 8: Jing-Shou-Shang-Zi Approval Letter No. 11101157720 dated August 26, 2022 from the Ministry of Economic Affairs.

Note 9: Jing-Shou-Shang-Zi Approval Letter No. 11101218050 dated November 14, 2022 from the Ministry of Economic Affairs.

Note 10: Jing-Shou-Shang-Zi Approval Letter No. 11230048790 dated March 23, 2023 of the Ministry of Economic Affairs.

Note 11: Jing-Shou-Shang-Zi Approval Letter No. 11230088230 dated May 25, 2023 by the Ministry of Economic Affairs.

Note 12: Jing-Shou-Shang-Zi Approval Letter No. 11230162800 dated August 24, 2023 of the Ministry of Economic Affairs.

Note 13: Jing-Shou-Shang-Zi Approval Letter No. 11230223780 dated December 5, 2023 of the Ministry of Economic Affairs.

Note 14: Jing-Shou-Shang-Zi Approval Letter No. 11330044460 dated April 02, 2024 of the Ministry of Economic Affairs.

Note 15: Jing-Shou-Shang-Zi Approval Letter No. 11330083150 dated May 27, 2024 of the Ministry of Economic Affairs.

Note 16: Jing-Shou-Shang-Zi Approval Letter No. 11330152830 dated September 16, 2024 of the Ministry of Economic Affairs.

Note 17: Jing-Shou-Shang-Zi Approval Letter No. 11330196970 dated November 18, 2024 of the Ministry of Economic Affairs.

Note 18: Jing-Shou-Shang-Zi Approval Letter No. 11430040160 dated April 10, 2025 of the Ministry of Economic Affairs.

(II) Type of Shares

April 22, 2025 unit: shares

Type of Shares	Authorized Capital			Remarks
	Outstanding Shares	Unissued Shares	Total	
Registered Ordinary Shares	69,868,000	30,132,000	100,000,000	Listed shares

Note: From January to April 2025, the Company has exercised 91,000 shares of employee stock option, and no change of share capital has been registered. Therefore, as of April 22, 2025, the number of outstanding shares was 69,868,000.

- (III) If approval has been granted to offer and issue securities by shelf registration, additionally disclose the approved amount and information regarding securities to be issued or already issued: None.

## II. Major Shareholders

April 22, 2025

Unit: shares; %

Major Shareholders	Shares	Shareholding	Ratio
VIA Technologies Co., Ltd.		39,002,000	55.82%
Jyh-Fong Lin		1,213,000	1.74%
Hsin-Tong Investment Co., Ltd.		514,437	0.74%
Hung Mao Investment Co., Ltd.		491,021	0.70%
Way-Chih Investment Co., Ltd.		462,939	0.66%
Kun-Chang Investment Co., Ltd.		450,360	0.64%
Capital Securities Holdings Inc.		445,000	0.64%
Cher Wang		379,072	0.54%
JP Morgan Chase Entrusted Vanguard Emerging Markets Stock Index Fund		354,000	0.51%
JP Morgan Chase Entrusted Advanced Starlight Global Growth Fund		348,000	0.50%

## III. Dividends policies and implementation status

- (I) Dividends policies in the Article of Incorporation of the Company

According to Article 20 of the Article of Incorporation, "If there is a net profit in the final accounts of the Company, it shall be allocated in the following order.

I. Pay taxes.

II. Cover accumulated losses.

III. Set aside 10% of the amount as statutory surplus reserve, except when the statutory surplus reserve has reached the paid-in capital.

IV. Special surplus reserve shall be increased or rotated in accordance with the law: When special surplus reserves are set forth, the "previous period accumulated net increase in the fair value of investment real estate" and "previous cumulative net deduction of other equity Before the surplus is distributed, the same amount of special surplus reserve should be drawn from the undistributed surplus in the previous period. If there is still a shortage, the current after-tax net profit shall be added to the current after-tax net profit. The amount of the project included in the current undistributed surplus.

V. After the allocation in items 1-4, the Board shall prepare the earnings distribution motion with the previous accumulated undistributed surplus.

Considering that the Company's industry is in a growth stage, the Company's dividend policies is set based on capital budgeting and funding needs, as well as shareholders' interests and other factors. The method for allocation of shareholders' dividends could be done in cash or stock dividends, where the amount distributed shall not be lower than 10% of net profit after tax, and the proportion of cash dividends should not be less than 10% of the total dividends amount.



Earnings distribution is to be handled as follows: distributable dividends and bonuses in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of Directors; and in addition thereto a report of such distribution shall be submitted to the Shareholders' meeting. If the Company distributes surplus earning in the form of new shares, it shall be handled in accordance with the Company Act by resolution of the Shareholders meeting.

(II) Implementation Status

Current dividends distribution:

The Company's dividends distribution for 2024 has been resolved by the Board meeting on March 11, 2025 as below:

The net profit after tax in 2024 was NT\$157,248 thousand, plus the amount of items other than the net profit after tax in the current period that was included in the undistributed earnings of the current year, and the legal reserve and special reserve were set aside as required by law, the distributable earnings were NT\$290,266 thousand. Considering capital utilization and avoiding stock dilution, the Company distributed cash dividends of NT\$1.79956203 per share, totaling NT\$125,732 thousand. The Chairman set the record date as April 26, 2025, and the dividends were paid on May 22, 2025.

(III) If there is expected to be a significant change in the dividend policies, it should be stated: None.

#### **IV. Impact to business performance and EPS of stock dividends distribution**

Not applicable, as the Company did not issue shares for free this year.

#### **V. Remuneration of employees and Directors**

(I) Employee and Director remuneration prescribed by the Company's Articles of Incorporation

According to Article 19 of the Company's Articles of Incorporation: "If the Company is profitable in the current fiscal year, no less than 5% shall be allocated as employees' compensation in stock dividends and cash dividends by resolution of the Board of Directors, and no more than 1% shall be allocated as the remuneration for Directors." The distribution of the employees' and the Directors' compensation shall be reported to the Shareholders' Meeting.

However, the Company's accumulated losses shall have been covered before the employee compensation and remuneration for Directors are allocated based on the aforementioned proportion.

The Company's may transfer treasury stock, employee stock warrants, certificate of entitlement to new shares, restricted stock awards and employee compensation to employees of the controlling or subordinate companies who meet specific criteria, and are to be issued under specific conditions by resolution of the Board of Directors.

(II) Accounting treatment for the differences between the estimated amount of compensation to employees and Directors, the estimated number of shares to be distributed as stock dividends, and the actual distributed figures

1. The estimated amount of remuneration to employees and Directors for the current year: According to the provision of the Company's Article of Incorporation stated in the preceding paragraph VIII. (I), the Company's estimated remuneration to employees will 8.64%, and the remuneration to Directors will be 0.44%.
2. Estimated number of shares to be distributed as stock dividends: The Company will not pay employee compensation in stock dividends for the current period, so this is not applicable.
3. Accounting treatment for difference between the actual distribution amount and estimated amount: If there is a significant change in the amount of distribution resolved by the Board after the end of the year and before the date of the financial report, the difference shall be recognized as an expense in the year in which the cash dividends were originally set aside. After the financial report is approved and submitted to the Shareholders' Meeting by the Board resolution, if there is still a change in the amount, the difference shall be treated as a change in accounting estimate and adjusted to the profit for the year in which the financial report is submitted to the Shareholders' Meeting.

(III) The information of compensation proposal approved by the Board of Directors:

1. The amount of employee compensation and Director remuneration paid in cash or stock dividends. If there is a discrepancy between the actual expense recognized and the annual estimated amount, the difference amount, reasons and the treatment should be disclosed:

The Company's 2024 remuneration to employees and directors was resolved by the Board on March 11, 2025 to be paid in cash. The remuneration to employees amounted to NT\$17,500,000 and the remuneration to directors amounted to NT\$900,000, which were the same as the estimated figures for the current period, therefore, there was no difference in expense recognition.

2. The amount of any employee profit-sharing compensation distributed in stocks as a percentage of the sum of the after-tax net income stated in the parent company only financial reports for the current period: Not applicable.

- (IV) The actual distribution of remuneration to employees and directors in the previous year (2023) (including the number of shares allocated, the amount of shares and the price of shares), and any differences from the recognized remuneration to employees and directors, the amount of differences, the cause and treatment of such differences shall be stated:

The remuneration to directors of NT\$900,000 and remuneration to employees of NT\$20,000,000 for 2023 were paid in cash in 2024. The actual distribution amounts were the same as the estimated amounts, therefore, there was no difference in expense recognition.

**VI. Buyback of treasury stocks:** None.

**VII. Issuance of corporate bonds:** None.

**VIII. Issuance of preferred shares:** None.

**IX. Issuance of global depository receipts:** None.

**X. Exercise of employee share subscription warrants**

- (I) Issuance of employee share subscription warrants in existence as of the date of printing of the annual report and impact to shareholders' equity.

April 22, 2025  
Unit: shares; NT\$; %

Type of employee share subscription warrants	1st Employee Share Subscription Warrants in 2019
Declaration effective date and total number of units	2019/10/01 3,000,000
Grant Date	2019/12/04
Number of Shares Granted	3,000,000
Number of Shares Available	0
Percentage of Accumulated Shares Subscribed to Total Shares Issued	4.29%
Term	10 years
Exercise Method	Issuing New Shares
Vesting Schedule (%)	After 2 years: 050%
	After 3 years: 075%
	After 4 years: 100%
Shares Exercised	2,368,000
Value of Shares Exercised	42,900,480
Shares Unexercised	632,000
Exercise Price Per Share	17.30 (Note 2)
Percentage of Shares Unexercised to Total Shares Issued (%)	0.90%
Impact to Shareholders' Equity	The share subscription warrant shall only be exercised successively after two years from the date granted and during its term. Its impact on the original shareholders' equity would be diluted year by year, so the impact to shareholder's equity is limited.

Note 1: As of the printing date of the annual report, the status of the private placement of employee share subscription warrants: None.

Note 2: It was because the Company paid the cash dividends of 2023, it adjusted the exercising price according to the Employee Share Subscription policies.

(II) As of the printing date of the annual report, the names of managerial officers and top 10 employees obtaining share subscription warrant, and their obtaining and subscription status.

April 22, 2025  
Unit: shares; NT\$; %

Title	Name	Accumulated Volume of Shares Subscribed (Shares)	Percentage of Accumulated Shares Subscribed to Total Shares Issued (%)	Exercised				Unexercised			
				Accumulated Volume of Shares Subscribed (Shares)	Exercise Price (NT\$) (Note 2)	Accumulated Value of Shares Subscribed (NT\$)	Percentage of Accumulated Shares Subscribed to Total Shares Issued (%)	Accumulated Volume of Shares Subscribed (Shares)	Exercise Price (NT\$) (Note 2)	Accumulated Value of Shares Subscribed (NT\$)	Percentage of Accumulated Shares Subscribed to Total Shares Issued (%)
President	Jyh-Fong Lin	5,580,000	7.99%	5,130,000		54,029,150	7.34%	450,000	17.30	7,785,000	0.64%
Vice-President	Hsueh-Chung Lu										
Vice-President	Hung-Wen Chen										
Vice-President	Chin-Sung Hsu										
Vice-President	Yi-Chia Huang										
Assistant Vice President	Wen-Yu Tseng										
Top 10 employees	Ti-Min Shih	2,362,000	3.38%	2,298,000	2017 subscription price was NT\$10; 2019 subscription price \$18.73/ \$18.13/ \$17.48/ \$17.30 (Note 2)	25,379,510	3.29%	64,000	17.30	1,107,200	0.09%
	Chih-Lung He										
	Hsiao-Chi Lin										
	Jung-Tsan Hsu										
	Wei-Yu Wang										
	Chao-Tsan Tseng (Note 1)										
	Hui-Neng Chang										
	Li-Feng Pan (Note 1)										
	Shihyang Shih										
	Rung-Chang Liu										

Note 1: Retired or left employee.

Note 2: The exercise price was adjusted because of cash dividends distribution in accordance with the Employee Share Subscription Policies

**XI. New restricted employee shares:** None.

**XII. Issuance of new shares in connection with mergers, acquisitions, or acquisitions of shares of other companies:** None.

**XIII. Capital utilization plans and execution status:** Not applicable.

## Four. Operating Highlights

### I. Business activities

#### (I) Business scope

##### 1. The main business activities of the Company

Headquartered in Xindian District, New Taipei City, Taiwan, with branches in the U.S. and China, the company's customer base covers the world's leading high-tech, telecom, and consumer electronics brands.

The Company's main business is the design, development, and sales of USB related controllers. It is a chip designing house with three core technologies, including USB Type-C, USB Power Delivery, and USB High-Speed Transmission, and complete solutions. Its products are widely used in a variety of high-speed transmission and charging-related mobile peripherals. The Company's business scope is as follows:

CC01080 Electronics Components Manufacturing

CC01110 Computer and Peripheral Equipment Manufacturing

F113050 Wholesale of Computers and Clerical Machinery Equipment

F113070 Wholesale of Telecommunication Apparatus

F118010 Wholesale of Computer Software

F119010 Wholesale of Electronic Materials

F213030 Retail Sale of Computers and Clerical Machinery Equipment

F213060 Retail Sale of Telecommunication Apparatus

F218010 Retail Sale of Computer Software

F219010 Retail Sale of Electronic Materials

F401010 International Trade

F601010 Intellectual Property Rights

I301010 Information Software Services

I301020 Data Processing Services

I301030 Electronic Information Supply Services

I501010 Product Designing

ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

##### 2. Revenue breakdown

Unit: NT\$1,000; %

Product \ Year	2023		2024	
	Sales Amount	Revenue breakdown	Sales Amount	Revenue breakdown
USB related controllers	2,034,958	99.99%	1,699,768	99.97%
Patent license and other income	145	0.01%	542	0.03%
Total	2,035,103	100.00%	1,700,310	100.00%

##### 3. Major products (services)

VIA Labs specializes in the design, development, and sales of USB-related control chips, covering three core technologies including USB data transmission, USB power delivery, and Display:

##### (1) USB4 40Gbps Controller Chip:

Device Controller supporting USB and DisplayPort Tunneling

##### (2) USB 3.2 5Gbps/10Gbps, USB2 Controller Chip:

A. Host Controller

B. Hub Controller

C. Device Controller

D. External Storage Bridge Controller

E. Audio Controller

##### (3) USB Type-C Interface Controller Chip and Product Design Reference Solution:

A. USB Type-C DFP CC Controller

B. USB Type-C UFP CC Controller

C. USB Data Switch and Mux

D. Signal Integrity Chip: Re-driver

##### (4) USB Power Delivery Power Management Chip and Transmission Solution:

A. Electronic Marker (E-Marker)

B. DP Alternate Mode & USB PD Controller Chip (DisplayPort Alternate Mode & PD Controller)

C. USB PD Wall Adapter

D. USB PD Sink Controller

- (5) USB 2.0 to USB 3.2 Hardware Conversion Bridge Chip:  
U3TT (USB 3.2 Transaction Translator)
- (6) DisplayPort to HDMI Protocol Converter
  - A. SST PCON (Single Stream Transport Protocol Converter)
  - B. MST Hub (Multi-Stream Transport)

#### 4. Product Roadmap

With a solid foundation in chip design, a Tier 1 customer base, and participation in standards development, the Company offers its customers cost-efficient reference designs featuring the latest technology. Unlike traditional single-function chip designs, the Company's product lines can be used in combination and conjunction with each other. This possibility of multiplying functions and flexible applications enables the Company to expand the consumer electronics and home/commercial markets in all aspects. The Company has several IPs on several process nodes, and is also able to offer customized design-services for bespoke customer designs :

Products under development:

- USB4 40Gbps/80Gbps device controller and USB4 hub controller and DisplayPort
- USB 3.2/USB2 hub controller
- DisplayPort Alt-mode controller
- USB PD UFP controller
- USB Audio controller
- USB PD Single/Multi-Port controller
- USB Type-C/DP to HDMI protocol converter
- DP2.1 HBR3 MST Hub
- DP2.1 UHBR20 MST Hub
- Re-driver signal conditioning controller
- Mux and Re-driver
- E-marker with EPR support

## (II) Industry overview

### 1. Industry Status and Development

For USB Type-C chips, the Company continues to provide products with higher transmission speed, power efficiency, and video transmission functionality. In the early USB Type-C market, product specifications were confusing. To prevent consumers from misusing USB Type-C products on their devices and causing damage to their devices or files, the Company has been actively supporting and participating in the association-led compatibility and specification compliance testing and obtaining USB Type-C related certifications for its products to. In addition to improving speed and power performance, the Company has further enhanced the safety and compatibility of USB technology to meet users' needs. USB Type-C is more intuitive for consumers than the traditional USB-A interface. With the support of industry giants such as AMD, Apple, Google, Intel, and Microsoft, the USB Type-C specification is making a splash in the market. As major brands release new products with USB Type-C interfaces, the reach of USB Type-C extends from PCs, laptops, tablets, and mobile phones to gaming consoles, VR devices, etc.

In addition to the high-speed transmission IC products, the Company has always been focused on integrating its technology with trends such as 5G, AI, IoT, cloud and AR/VR. Through the new applications, services and user experiences brought by different products, the Company gradually identifies suitable market opportunities to integrate with the market, so that its product lines are ready to meet the challenges ahead.

According to the new USB4 specification introduced by USB-IF in 2019, USB4 offers a maximum transmission rate of 40Gbps, requires the USB Type-C interface, and supports up to 240W of power charging when combined with the USB Power Delivery 3.1 EPR feature. Moreover, USB4 supports parallel transmission of multiple protocols, including Enhanced SuperSpeed USB, DisplayPort, and PCI Express, and the bandwidth between the protocols can be intelligently shared. The USB4 is a transmission specification currently sufficient for high-tech development today, such as doubling the transmission speed, increasing the number of connected devices, reducing the transmission latency, etc.

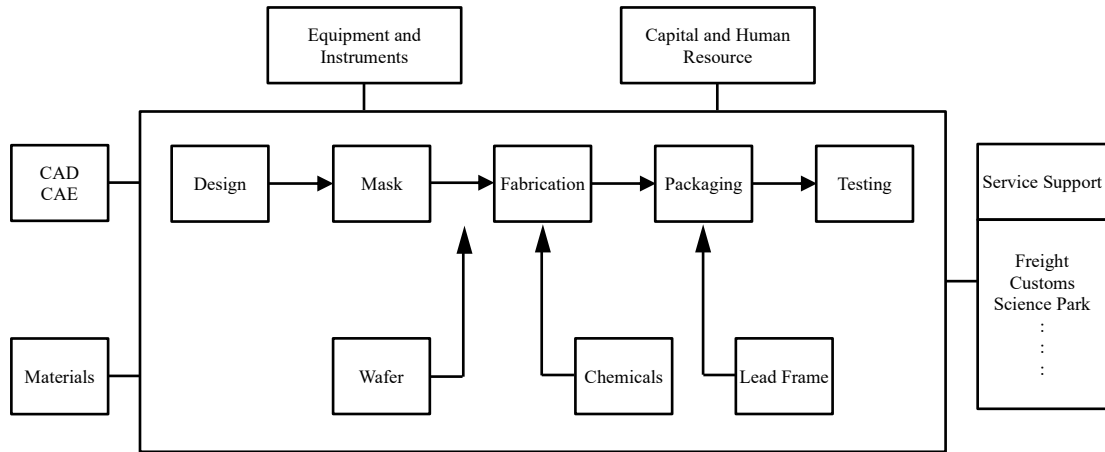
To meet the future demand for high-performance computing (HPC) applications worldwide, as well as the increasing volume of big data and the rising standards for high-resolution, high-refresh-rate video standard, USB4 2.0 specification enables 80Gbps (40Gbps x2) delivers high-speed transfer and supports DisplayPort 2.1, ensuring that the USB4 specification continues to dominate the high-speed connectivity interface.

The design, manufacture, and deployment of USB4 chips require more advanced development, manufacturing, and testing processes. There are fewer IC design companies able to meet these challenges than before. Therefore, the Company will continue to stay ahead of the curve through its adoption of USB4 and the latest USB4 2.0 specification, providing quality product design and enhancing the most optimized experience for users' rigid demands. It took only a few years for USB

Type-C to gain industry and market acceptance since the release of the specification standard, which proves that it is the right direction.

2. Links between the upstream, midstream, and downstream segments of the industry

The upstream, midstream and downstream of Taiwan's IC industry can be broadly categorized into IC design companies in the upstream, IC wafer fabrication companies in the midstream, and IC packaging and testing companies in the downstream. Please refer to the following chart for upstream, midstream and downstream linkages.



The Company is an IC design company which is in the upstream of the IC industry, and its business is to design and sell its own ICs. It outsources all the main manufacturing processes before the completion of the final product, such as masks, wafer fabrication, IC packaging, and testing.

3. Trends of product development

(1) SuperSpeed USB 5Gbps/10Gbps/20Gbps Controller

With the challenges of the 5G digital era, the amount of data processing has increased sharply, and the demand for USB high-speed transmission technology has reached a peak. After the USB-IF launched the latest specification, SuperSpeed USB chips are now divided into 5Gbps/10Gbps/20Gbps. This technology is not only for personal computers but also various mobile devices, VR, and other related products and electronic equipment. The functions keep up with the times and can handle today's huge volumes of image and data traffic.

(2) USB4 40Gbps/80Gbps Controller

Unlike the SuperSpeed USB specification, the USB4 specification is only compatible with the USB Type-C interface, significantly improving the data transmission speed to a maximum of 80Gbps. It also enables the simultaneous transmission of multiple protocols, such as PCIe, DisplayPort, SuperSpeed USB, and Thunderbolt 4. USB4 can dynamically allocate bandwidth and ensure smooth data, video, and audio transmissions. Most newly launched laptops and some desktop computers support the USB4 specification. Apart from Intel, VLI is the first company to launch and ship USB4 device controllers. It proves that VLI is a formidable industry leader in terms of research and development and grasping business opportunities in the market.

In addition, USB-IF announced USB4 2.0 specification in October 2022, increasing the maximum transmission speed from 40Gbps to 80Gbps in symmetric mode. In traditional cases, USB4 2.0 will transmit bidirectionally at 80Gbps. For use cases where bandwidth requirements are not symmetric, USB4 2.0 has a newly defined asymmetric mode that allows up to 120Gbps transmission speeds in one direction and 40Gbps transmission in the other. This asymmetric mode is especially suitable for high-end and multiple display applications, including high resolutions at 8K and beyond, high screen refresh rates for competitive gaming and making productivity tasks more comfortable, and HDR and deep color capabilities. Furthermore, USB4 2.0 also updates tunneled protocol support to the latest DisplayPort 2.1 and PCIe 5.0 specifications. This way, the transmission capabilities of external display cards and other devices will be further improved. Following the rapid cadence of the USB-IF, VLI is devoted to the development of new USB4 2.0 products.

(3) USB Type-C Controller and USB Power Delivery Controller

Currently, nearly all new laptops, tablets, and smartphones, including both the Apple iPhone and Android devices, use USB Type-C as the main interface, leading to a rapid growth in the market for USB Type-C chips and USB PD power transmission chips. The European Union's Common Charger law, which is now in effect, requires mobile devices such as notebooks, smartphones, and tablets, as well as keyboards, mice, and other peripherals to adopt USB Type-C for charging, has also increased demand for USB Type-C and USB PD controllers.

Moreover, the latest high-end smartphones now support hardware-accelerated ray tracing, allowing many AAA games to run seamlessly on mobile devices. This advancement is expected to drive a new wave of demand for USB-C peripherals.

With the release of the USB Power Delivery 3.1 specification, the maximum charging rate of USB Type-C has increased from 100W to 240W. It is anticipated that USB PD 3.1 will be adopted in the gaming and portable workstation markets, where the new higher power capabilities will support more powerful CPUs and GPUs. VLI has launched many chips that support USB PD3.1 to take advantage of the transition.

(4) DisplayPort (DP) to HDMI Protocol Converter

DisplayPort and HDMI are the mainstream video specifications in the industry. After VESA, which established the DisplayPort specification, announced the specification of DP Alt-Mode on USB Type-C in 2014, the DisplayPort specification began to intertwine with USB Type-C. Now, most USB Type-C peripherals and docking stations support DP Alt-Mode. According to the USB4 specification, DisplayPort tunneling support is a mandatory requirement for USB4 Hosts and USB4 Hubs. This specification further accelerates the industry to adopt the DisplayPort technology. After launching a DP1.4 to HDMI2.0 Protocol Converter, VLI also launched a new DP1.4 to HDMI 2.1 Protocol Converter that supports 8K@60Hz TVs and 4K@240Hz monitors and advanced variable refresh rate technologies.

4. Market competition

Today, there are hundreds of IC design companies. Since the market for USB controllers is mature, a manufacturer with superior R&D capability while utilizing advanced process technology should have an advantage over other IC manufacturers. The R&D and process technology of major international manufacturers is thus fiercely competitive. However, the critical aspect of product compatibility and deployment strategies are beyond the control of general IC design companies.

Since the Company released the world's first USB 3.0 hub controller in 2010, three product lines have been regarded as the USB-IF's standard compliance test items, proving that VLI is a leading company in Taiwan's industry. Since the expansion of SuperSpeed USB 5Gbps/10Gbps to USB Type-C related product lines, the Company's influence has increased significantly and has been well-recognized by customers. Many well-known international manufacturers have adopted the Company's product solution.

The USB chip design industry is fiercely competitive, driven by geopolitical challenges, trade restrictions, and China's aggressive expansion in mature process manufacturing. Moreover, China's drive for semiconductor self-sufficiency has further intensified pricing pressure on VIA Labs' products. To maintain competitiveness under the evolving U.S.-China decoupling policies, IC design companies must carefully refine their product portfolios, wafer fabrication strategies, and shipping policies.

(III) Technology and R&D overview

1. R&D expenditures during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report

Unit: NT\$1,000; %

Item \ Year	2024 (Note)	Current year as of March 31, 2025 (Note)
R&D expenditures (A)	678,377	176,986
Net revenue (B)	1,700,310	390,077
(A)/(B) %	39.90%	45.37%

Note: Audited (reviewed) by the CPAs.

(IV) Technology and R&D overview

1. Technologies or products successfully developed during the most recent fiscal year

Year	R&D Achievements
2024	<ol style="list-style-type: none"><li>1. Updated USB4 40Gbps device controller, which is now in mass production and is awarded certification from USB-IF, featuring built-in USB3.2 hub and DisplayPort 1.4a 4-Lane output. DisplayPort 2.0 UHBR10 is supported in pass-through mode.</li><li>2. Next-generation VL605 USB Type-C / DP1.4 to HDMI 2.1 Protocol Converter.</li><li>3. Next-generation VL108 DP Alt-Mode controller, supporting USB PD3.1 EPR 240W.</li><li>4. Next-generation VL109 USB PD controller, supporting 3 USB PD ports and USB PD 3.1 EPR 240W.</li><li>5. Next-generation optimized PD Sink controller.</li><li>6. Next-generation high-voltage-tolerant Electronic Marker (E-Marker).</li><li>7. Next-generation VL171 optimized Insertion Loss controller, supporting 10Gbps 6:4 Mux.</li><li>8. USB Type-C DFP controller with enhanced function and lower power consumption.</li><li>9. Enhanced USB2 Hub controller, which is now in mass production and is awarded certification from USB-IF</li><li>10. Next-generation VL109 USB PD controller achieved PD3.2 EPR Certification from USB-IF.</li></ol>

(V) Business development plans in the long- and short-term

1. Short-term business development plan

- (1) The Company aims to consolidate existing customers and enhance the business ratio. It would be better to provide customers with the necessary technical support based on the existing product portfolio and help them shorten their time to market.
- (2) Closely collaborate with leading global technology companies as strategic partners to integrate USB-related products.
- (3) Besides the laptop and tablet markets, paying attention to smartphone accessories (with emphasis on potential iPhone applications), entertainment, and consumer electronics related products. In the short- to mid-term, the Company will continue to develop major brands in the U.S., Japan, and China markets; support key customers to develop their products with continuity; enhance customer adhesion and flexibility in supply; and meet the changing needs of markets. This way, customers can lay the foundation for future operational growth.
- (4) In addition to Taiwan and China markets, strengthen new customer development in Japan, Korea, Europe, and America.
- (5) The Company will keep conducting promotional activities, forums, and seminars through the media and related platforms. It will also arrange technical articles and product news exposure to enhance the Company's image and product awareness.
- (6) Collaborate closely with key outsourcing partners, accurately plan production capacity, reduce inventory, and effectively control costs.
- (7) Integrate the Company's resources and simplify procedures to improve business management efficiency.

2. Long-term business development plan

- (1) Keep the leadership in USB and USB Type-C related ASIC field and form strategic partnerships with key customers.
- (2) Actively participate in international technical organizations that develop specifications to capture technological trends and market changes, enhance the breadth and depth of product lines, and get close to user needs.
- (3) Actively eliminate user concerns; continue to develop and promote technology integration for more related applications; and increase the company's market share and unique electronic product design flexibility. Also, collaborate with key electronic component suppliers on USB PD power delivery technologies to develop power supply solutions. The industry accelerated the development of USB4-related USB4 v2.0-related chips, and the USB Type-C ecosystem continues to grow.
- (4) VIA Labs, Inc. will continue to observe the interaction and development of new technological trends and determine the development direction of its products.



## II. Market, production and marketing situation

### (I) Market analysis

#### 1. Areas where the main products (services) are provided (supplied)

Unit: NT\$1,000; %

Area \ Year (Note)		2023		2024		Current year as of March 31, 2025	
		Sales amount	Percentage	Sales amount	Percentage	Sales amount	Percentage
Domestic Sales		776,183	38.14%	829,172	48.77%	197,445	50.62%
Export Sales	HK and China	612,665	30.10%	635,398	37.37%	162,150	41.57%
	Japan	484,321	23.80%	223,322	13.13%	29,638	7.60%
	Others	161,934	7.96%	12,418	0.73%	844	0.21%
Total		2,035,103	100.00%	1,700,310	100.00%	390,077	100.00%

Note: Audited (reviewed) by the CPAs.

#### 2. Market share

According to the USB-IF research report, the shipment of USB Type-C devices will grow slightly to 38 billion units in 2024 and are expected to grow to 4.6 billion units by 2025. Smartphones, laptops, tablets and docks account for a relatively high percentage of shipment.

As the USB4 technology becomes more popularized, it will significantly improve the convenience of multimedia transmission; in this way, more options and possibilities for consumption will be created in the future. Continual breakthroughs in USB4-related technologies facilitate functional integration with mobile devices. It is expected to drive business opportunities for upgrading existing peripheral products to take advantage of the high-speed transmission and higher efficiency of the new standards while promoting the next electronic product revolution.

#### 3. Demand and supply conditions for the market in the future, and the growth potential

According to the latest PC shipment report released by international research firm IDC, global PC shipments are projected to reach 262.7 million units in 2024, marking a 1% growth compared to the annual shipment volume in 2023. Overall, global PC shipments in 2024 are expected to remain relatively optimistic. Looking ahead to 2025 and beyond, while AI PCs with more advanced artificial intelligence capabilities have already been introduced, it will likely take some time before they are widely adopted. Many businesses and general users are still observing, but analysts generally expect that the wave of AI PCs will eventually arrive, and at that point, AI PCs will gradually replace the traditional PCs currently used by consumers.

The USB Type-C interface has the advantage of supporting multiple communication protocols such as USB, DP, PCIe and USB PD. A single interface can provide data, video, and power transmission functions and is used as the mainstream interface for electronic devices. According to a statistic by USB-IF, the number of USB Type-C devices will reach 3.2 billion by 2023. Among them, smartphones, laptops, tablets, and docking stations will account for a higher proportion. Today, numerous electronic products on the market, from high-end to low-end, have adopted the USB Type-C interface; and the ecosystem has matured.

According to the latest report by IDC, demand for wearable devices is also slowing down because of the rise in inflation and unstable economy. The shipment during 2024 remained at 537.9 million units, representing a 6.1% growth. By building up the highway infrastructure for VR and Metaverse, high-speed data and video transmission capabilities are expected to stimulate the development of new immersive applications.

In today's 5G era, user habits have driven the digital transformation from internet search to video sites to streaming platforms, bringing huge changes to the market. From YouTube, Tudou.com, and other video sites to streaming APPs, such as Netflix, Spotify, etc., Internet technology once hit the audio-visual industry hard, but now, it has reorganized it through hardware devices. According to the 2024 Global Music Report published by the IFPI global music market survey organization, global participation in music streaming platforms has increased by 10% to \$28.6 billion, compared to the previous year's figures. Users are willing to access audio and video in various forms, and industry operators are also actively developing markets using diversified platforms.

To cope with the trend of massive data processing, upgrades are needed at various levels, from chips and devices to data center interfaces in the cloud. This is essential to truly embrace the scenarios of high-speed IoT. Entering the new era of USB4, it supports multiple protocols, including USB, PCIe, DisplayPort, Thunderbolt, etc., making it a versatile solution. USB4 is backward compatible with USB 3.2, USB 2.0, and Thunderbolt 3. Furthermore, the increase in transmission bandwidth is significant, with USB4 reaching a maximum of 40Gbps, twice the speed of the previous generation USB 3.2 at 20Gbps. In the future, USB4 v2 is expected to achieve even higher transmission specifications of up to 80Gbps, consolidating audio, video, data, and power transmission into a unified system.

#### 4. Competitive niches

- (1) The Company has unique and complete solutions. According to the current development of USB Type-C market, the adoption number has grown to 3.8 billion units in 2024. Most importantly, the Company has not only developed USB Type-C related chips and the latest USB PD, Super Speed USB 5Gbps/10Gbps/20Gbps, and USB4 40Gbps technologies but also, based on its cutting-edge products and specifications, further discussed and collaborated with customers to design applications that meet users' needs. It strives to promote the development of the newest technological specifications to provide customers with unique, comprehensive, and highly integrated product solutions at the earliest point in time.
- (2) The Company enjoys First-Mover Advantage to maintain product compatibility across platforms through the adoption of a wide range of customers. Its best and widest product compatibility continues to be a hard-to-beat obstacle to competitors. Among them, the Company launches the next generation of DP Alt-Mode Control Chip VL10X Series products approximately every two quarters. For example, VL109 DP Alt-mode controller has achieved the USB-IF PD 3.2 EPR certification in the 4<sup>th</sup> quarter of 2024. This not only optimizes product specifications but also consolidates customers' special needs with new trends in the USB Type-C market. The Company has broken the traditional mindset of the IC industry by moving from developing a single product to developing a complete library of products that customers can choose based on different needs. It has significantly widened the gap with competitors and maintained its competitive edge in each product line.
- (3) The Company has an excellent R&D team with expertise and extensive industry experience in digital logic design, soft/firmware design, analog design, system design, etc. Combining the solid R&D experience of the elite in each field, the Company can provide more diverse product solutions.
- (4) Successful customer mass production experience. The Company strives and actively assists customers from design to mass production. The Company's technical services in R&D and FAE have always been widely recognized by customers in the industry. It not only provides customized services but also plans reference designs that can be mass-produced quickly, taking account of customer costs and user experience to create a win-win situation.

#### 5. Positive and negative factors for future development, and the countermeasures thereof

##### (1) Positive factor

- A. With the trend of thin and light mobile phone designs, there is an overwhelming demand for deploying USB Type-C in smartphones. Smartphones have gradually adopted the full-featured USB Type-C interface, and the peripheral and application ecosystem are expected to mature soon. Product differentiation is a critical factor in who can win over the mobile peripherals market. The Company's VL10X series products have the advantage of having a wide range of options and advanced functionality. The flexibility of VL10X series product applications is that they can be used with the Company's USB hubs. The Company is a leading manufacturer of USB hub controllers in the market. It also provides more reference design (turnkey) advantages for VL10X products.
- B. The USB Type-C Cable market is matched with device applications. The new generation of high-voltage resistant VL155 E-Marker supports PD3.1 EPR specification, providing a better Type-C Cable protection solution while supporting the new charging experience.
- C. Accumulate USB PD and Hub knowledge to build a stronger product portfolio for desktop and laptop peripherals and to maintain a leading position in the smartphone docking station and adapter market. With the increasing application of USB Type-C, the market demand for Hub/PD Hub module products is bound to grow.
- D. The Company's products are used in computers, laptops, smartphones, game consoles, and VR devices. The product line combines data, audio, video, and power solutions, covering the host to the device controllers completely. With its professional R&D team and its role as a Working Group of USB-IF members and contributors, the Company can be the first to launch products and applications that meet the latest specifications. Moreover, when the new products receive certification from the USB-IF Association, it has a chance to become a KGH/KGD/KGS product, regarded as an industry standard product. This gives an irreplaceable position that our competitors cannot match. The Company has several such products.

E. Many types of products use the USB interface for transmission and charging. There are different fields and situations of usage, such as computers, laptops, smartphones, docking stations, adapters, power adapters, and so on. Traditional USB charging has gradually changed to USB Type-C and USB PD charging.

(2) Negative factor

A. As the USB and PD technology mature, the USB Type-C dock station and adapter market still have much room to grow and continue attracting new competitors. However, to gain customers or expand market share, some competitors simplified the product functionalities and manufacturing process of their products to lower the cost, to attract customers at low prices. Excessive price competition will decrease the overall profitability of the industry.

B. There are many competitors in the IC design industry. Under the new trends in geopolitical dynamics, China's expansion of mature process capacity has led to a new wave of fierce market competition., which is bound to impact product prices. Secondly, world-class companies are also actively merging. With so many competitors, finding the positioning of the Company and the products will be one of the challenges in the long term.

(3) Countermeasures

A. USB Type-C is widely used in mobile devices, providing an excellent opportunity for the Company to enter the mobile device market. If the Company can play a key role in USB Type-C peripherals and continue developing the potential mobile device market, the Company could achieve stable and bright performance.

B. Optimize existing products and maintain their market competitiveness. Increase added value to the products, enhance overall competitiveness, and offer more product portfolios by providing customized software/firmware services. Develop products that meet customer needs based on current technical modules. Strengthening customer relationships with comprehensive strategies. Fulfill customer needs with a one-stop shop and supplier management simplification to reduce the impact of low-price competition.

C. Continue to observe market trends, predict the final versions for future products, and launch new products that meet market needs. Work closely with the USB-IF to ensure the rationality and feasibility of specifications and technologies, maintain specification compatibility for products on the market, and support clients to participate actively in certification.

D. Under the influence of geopolitics and the US-China technology war, it is necessary to review possible changes in the business environment and think of countermeasures often. It is imperative that we continue to strengthen and build partner supply chains from multiple aspects.

E. Comprehensively systematic project management. Benefiting from the accumulated experience of the development team, the Company can optimize the hardware and firmware development schedule. This enables products to break into the market at the right time. At the same time, pay attention to the market trend, predict the final configuration of future products, and look for partners in different fields to provide customers with complete and diversified solutions by complementing and multiplying each other's technologies.

F. Provide better after-sales service: Increase overseas sales and technical support human resources to establish a comprehensive after-sales system and provide immediate and local technical support. Assist customers' product development progress and quickly solve their mass production problems to strengthen customer relationships.

G. Improve operational efficiency and sales & production process in response to volatile market changes and customer needs. Establishing a sound corporate system, enhancing management performance, and strengthening the company's competitiveness through improved operational efficiency.

(II) Usage and manufacturing processes for main products

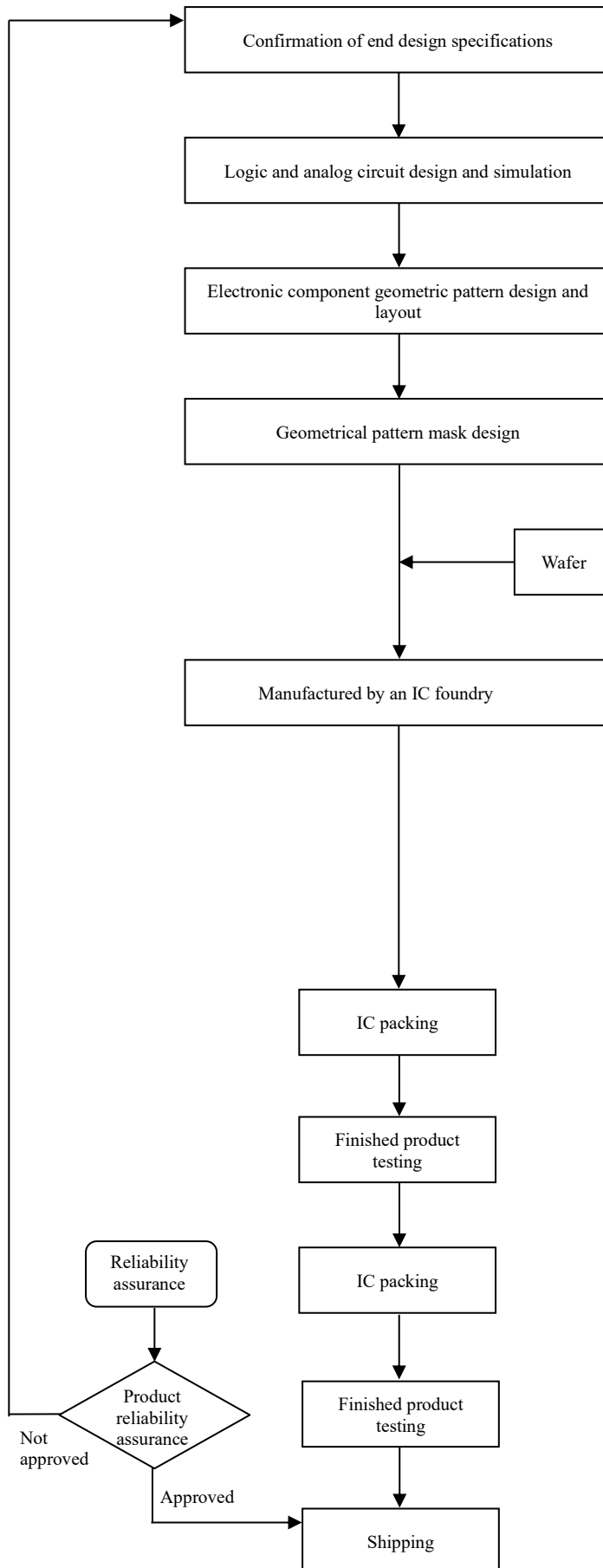
1. Usage for main product

Item	Important Usage
USB chips	The transmission-related USB (Universal Serial Bus) SoC solution can significantly save video and data transmission time. Its products include controller chips for Host, Hub, SATA Bridge, Audio, etc.
USB Type-C controller	USB Type-C interface has the advantage of single-port for power, data, and video transmission. Its products include controller chips such as DP Alt-Mode, E-Marker, Switch, and Re-driver, etc.
USD PD controller	Charging controller supports BC 1.2, Apple 2.4A, Samsung, Quick Charge, and USB PD. It can be applied to portable charger, wall charger, car charger, and etc.
DisplayPort Protocol Converter	The Protocol Converter converts DP video signals transmitted by DP Alt-mode or USB4 DP tunneling mode into mainstream HDMI signals for home video. Products include single HDMI2.0 output, single HDMI2.1 output, multi-video output (MST Hub).

2. Manufacturing processes for main products

After completing the circuit design, the Company outsources the chip manufacturing to OEMs. The production process includes masking, wafer fabrication, wafer packaging, testing, and packaging into inventory. The product flowchart and design manufacturing process are shown below:

## Product Flowchart



## Design and manufacture process

1. Confirmation of end design specifications
2. Logic circuit design and simulation
3. Analog circuit design and simulation
4. Logic and analog circuit design simulations
5. Electronic component graphic design and layout
6. IC designers mix and match the logic and circuits of different chips into a single circuit diagram according to their functions and properties.
7. Photomasking: Like a photo, the photomask is densely covered with circuit diagrams from IC designers. This allows the wafer fabs to transfer the pattern from the photomask to the surface of the silicon wafer.
8. Single-crystal growth
9. Slicing
10. Polishing: The raw material, silicon dioxide, is "polycrystalline silicon" in the form of rods or grains. It is pulled into a "single crystal ingot," and, after grinding, slicing, and polishing, becomes a wafer, semiconductor material, with an appearance similar to laser records.
11. Oxidation
12. Photomask calibration
13. Etching
14. Impurity diffusion
15. Ion implantation
16. Chemical vapor deposition
17. Electrode metal evaporation
18. Wafer probing: After the wafer has undergone a series of detailed processes, the geometric pattern circuit from the original layers of the masks is transferred to the wafer.
19. Dicing
20. Die attachment on substrate or leadframe
21. Connecting dies to substrates or leadframe pins with solder wire
22. Plastic mold packing
23. Finished product testing
24. Product reliability assurance: After the wafer has been fabricated by the foundry, the packager's work includes dicing, welding, molding, and finally forming the IC dies. Complete packaging.
25. IC testers will ship the chips after ensuring that they function correctly.
26. Shipping

(III) Supply situation for major raw materials

The Company has more than two raw materials suppliers, all of which are international manufacturers that have passed strict screening procedures. The Company has been cooperating with all suppliers for a long time and always maintained a good partnership. Therefore, the Company can keep abreast of the supply and demand of raw materials, and the supply situation of raw material suppliers is very stable so far. The Company currently orders from a small number of high-yield suppliers in order to obtain higher discounts. This lowers production costs and maintaining high quality products, which is more favorable to the Company's profitability. The Company also regularly evaluates suppliers to ensure the quality level of raw materials and the accuracy of delivery.

Major raw materials	Supplier	Supply Situation
Wafer	Company A	Good

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

1. List of any suppliers and clients accounting for 10 percent or more of total procurement amount in either of the 2 most recent fiscal years, the amounts bought from each, the percentage of total procurement accounted for by each, and an explanation of the reason for increases or decreases in the above figures.

Unit: NT\$1,000; %

Item	2023 (Note)				2024 (Note)				Current year as of March 31, 2025 (Note)			
	Name	Amount	Percentage of Net Procurement for the Year (%)	Relationship with Issuer	Name	Amount	Percentage of Net Procurement for the Year (%)	Relationship with Issuer	Name	Amount	Percentage of net procurement for the year as of the previous quarter (%)	Relationship with Issuer
1	Company A	147,088	33.35	None	Company A	299,211	45.56	None	Company A	106,529	60.22	None
2	Company B	243,953	55.31	None	Company B	274,267	41.76	None	Company B	48,165	27.23	None
3	Others	50,063	11.34	None	Others	82,752	12.68	None	Others	22,192	12.55	None
	Net Procurement	441,104	100.00		Net Procurement	656,722	100.00		Net Procurement	176,886	100.00	

Note: Audited (reviewed) by the CPAs.

Reasons for the increase or decrease in amount and percentage

The Company has maintained good long-term partnership with upstream, midstream and downstream suppliers over the years. The changes in the amount of purchases from suppliers in the most recent two years were mainly due to the significant reduction in the amount of purchases from wafers in 2023 to accelerate inventory de-stocking. In 2024, the sales performance rebounded to normal seasonal sales performance. Therefore, the production volume is adjusted according to the order demand and inventory level, resulting in changes in the amount of purchases and ranking.

2. List of any suppliers and clients accounting for 10 percent or more of total sales amount in either of the 2 most recent fiscal years, the amounts sold to each, the percentage of total sales accounted for by each, and an explanation of the reason for increases or decreases in the above figures

Unit: NT\$1,000; %

Item	2023 (Note)				2024 (Note)				Current year as of March 31, 2025 (Note)			
	Name	Amount	Percentage of Net Sales for the Year (%)	Relationship with Issuer	Name	Amount	Percentage of Net Sales for the Year (%)	Relationship with Issuer	Name	Amount	Percentage of net sales for the year as of the previous quarter (%)	Relationship with Issuer
1	Company A	684,278	33.62	None	Company A	707,532	41.61	None	Company A	173,458	44.47	None
2	Company B	273,366	13.43	None	Company B	242,719	14.27	None	Company B	69,315	17.77	None
3	Company C	223,938	11.00	None	Company C	173,414	10.20	None	Company C	48,453	12.42	None
4	Company D	477,330	23.45	None	Company D	222,203	13.07	None	Company D	29,334	7.52	None
	Others	376,191	18.50	None	Others	354,442	20.85	None	Others	69,517	17.82	None
	Net Sales	2,035,103	100.00	-	Net Sales	1,700,310	100.00	-	Net Sales	390,077	100.00	-

Note: Audited (reviewed) by the CPAs.

Reasons for the increase or decrease in amount and percentage

The change in the ranking of Customer D this year was mainly due to the fact that the customer was a global leading game console manufacturer whose products were in the transition period of the newly launched next-generation game consoles. The Company values the business development and requirements of customers' IC distributors and the needs of customers, and provides necessary technical support. Therefore, the changes in sales amount of major customers are due to the market development and product demand.

### III. Number of employees employed, average years of service, average age, and education levels

March 31, 2025; Unit: Person; %

Item \ Year		2023	2024	Current year as of March 31, 2025
Number of Employee (Persons)	Direct Labor	0	0	0
	Indirect Labor	203	224	222
	Total	203	224	222
Average age (years)		43.17	42.64	42.59
Average Years of service (year) (Note)		7.71	7.35	7.48
Education level distribution (%)	Ph.D.	4%	4%	3%
	Master	49%	46%	47%
	Bachelor's Degree	47%	50%	50%
	High School	0%	0%	0%
	Under High School	0%	0%	0%

Note: It does not include service years in other business units within the same group.

## IV. Environmental Protection Expenditure

Please refer to “Five. Sustainable Development: III. Environmental efforts” in Page 78-80 of the annual report.

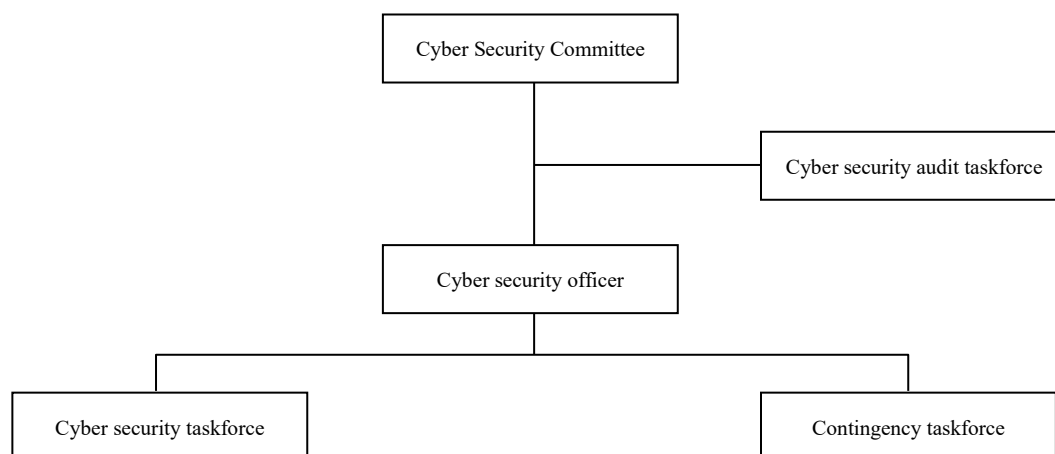
## V. Labor Relations

Please refer to “Five. Sustainable Development: I. Corporate commitment” in page 73-77 of the annual report.

## VI. Cyber security management

- (I) Describe the cyber security risk management framework, cyber security policies, concrete management programs, and investments in resources for cyber security management.

1. Cyber security risk management framework



The Company established a “Cyber Security Management Committee” to strengthen its cyber security management in 2020. The Committee is chaired by the Chief Cyber Security Officer (the Company's Vice President) and sets up the Cyber Security Officer to be responsible for the supervision and audit of cyber security related operations and coordination. The organization team includes cyber security handling taskforce, contingency taskforce, and cyber security audit taskforce. The cybersecurity handling taskforce is responsible for the planning and execution of all cyber security operations; the contingency taskforce is responsible for the execution and rehearsal of emergency response operations and business continuity plans; and the cyber security audit taskforce cooperates with the Company's auditing unit to conduct internal and external audits of information security. In 2023, a dedicated information security unit was established, consisting of the Chief Information Security Officer, information security supervisor, and dedicated information security personnel, responsible for the promotion and implementation of information security policies, and improving the Company's information security protection capabilities.

2. Cyber Security Policies

With the rapid advancement of information technology and the popularity of Internet usage, problems concerning information protection, hacker attacks and blackmails have emerged in endlessly. In the face of increasingly serious cyber security risks and challenges, in order to strengthen cyber security management and ensure the security of data, systems, equipment and networks, the Company has established an information security management system in accordance with the ISO27001 standard as part of its overall management system. It is also based on operational risk program management to establish, implement, operate, monitor, review, maintain, and continuously improve the information security management system in order to protect the confidentiality, integrity, and availability of information. The Company not only comply with the Government's relevant information security policies and internal systems but also exercise due diligence in the daily cyber security management, to prevent from internal and external intentional or accidental threats and to minimize the operational risk of information security. All colleagues work together in the hope of achieving the following policy objectives:

- (1) To ensure the confidentiality and integrity of information assets.
- (2) To ensure that data access is regulated according to departmental functions.
- (3) To ensure the continuous operation of the information system.
- (4) To prevent unauthorized modification or use of data and system.
- (5) Regularly perform audit on information security to ensure the implementation of information security.



3. Specific management programs
  - (1) Internet information security control
    - A. Firewall control.
    - B. Instant virus scanning of computer systems and data storage media.
    - C. Instant monitoring of system logs of various web services and tracking of abnormalities.
  - (2) Data access control
    - A. The computer equipment should be kept by a dedicated person, with an account number and password
    - B. Confidential and sensitive data and copyright software shall be removed or overwritten before equipment is disposed of
    - C. The account privileges of the information system should be duly requested and approved.
  - (3) Disaster recovery mechanism
    - A. Regularly review the contingency plan.
    - B. Regularly perform the system recovery drill at an annual basis.
    - C. Establish a system backup mechanism and implement off-site backups
    - D. Regularly review the security controls for computers and internet.
  - (4) Cyber security promotion and review
    - A. Promote cyber security information from time to time to enhance employees' awareness
    - B. Offering information security training courses and seminars
    - C. Regularly implement the social engineering drill plan every year
    - D. Prepare the cyber security work report and present it to the Board of Directors annually
4. Information security implementation
  - (1) Passed the audit of the third-party certification unit, BSI, and obtained the ISO27001 certification (Certificate number: IS 723115). The Company continues to pass the audit and to be evaluated by the effective annual certificate.
  - (2) The Company has adopted a third-party risk assessment system that helps the Company evaluate the level of risk of external network assets registered in the Company's name through the network security assessment platform. The assessment system provides a safety score rating and recommendation for further improvement of the overall safety of external network assets.
  - (3) The use of MDR service allows all computers in the Company to continue to operate securely, test and respond to network threats. The combination of technology and professional support helps the Company's internal computer equipment to identify and respond to potential safety incidents as quickly as possible, enhancing the overall security and hacking prevention capabilities.
  - (4) The Company continues to strengthen network security protection measures including firewalls, intrusion detection systems, and virtual private networks (VPNs) to prevent unauthorized access and attacks.
  - (5) Passwords must be changed and complexity set regularly. The multi-factor authentication (MFA) mechanism is gradually being introduced to ensure that only authorized personnel can access the system, improve the security of login, and reduce the risk of account theft.
  - (6) Ensure company information security and comply with the ISO27001 standard A.7.7 Clear Desk and Clear Screen principles. A company computer will lock the screen automatically if it is not used for more than 15 minutes, and the password will be required to unlock the screen.
  - (7) Joined TWCERT/CC to obtain diverse information sharing channels to achieve the effect of cross-domain information security threat joint defense.
  - (8) Established and maintained an information security section on the employee website to continue to share information about internal information security.
  - (9) Conduct information security promotion on a monthly basis and from time to time; information security promotion is conducted based on new information security topics or hackers news.
  - (10) Conducted two social engineering phishing letter exercises to enhance employees' awareness of precautionary measures, reduce the probability of being defrauded, and lower information security risks.
  - (11) Carried out two host vulnerability scans, and identified potential security vulnerabilities with corrective action taken, and complied with regulatory security audit requirements.
  - (12) Organized information security-related courses and tests to enhance the employees' knowledge of information security. 8 information security courses were organized.
  - (13) Comprehensive commercial fire insurance for computer room equipment.
  - (14) The Board of Directors reported the implementation of information security of the previous year in Q1 2024.

- (II) List any losses suffered by the Company in the most recent fiscal year and up to the annual report publication date due to significant cyber security incidents, the possible impacts therefrom, and countermeasures. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided

In 2024, the Company did not have significant cyber security incidents that caused business damage. It continued to implement the cyber security management policy objectives and performs recovery drill regularly to protect the security of the Company's important systems and information.

## VII. Important contracts

The supply/distribution contracts, technical cooperation contracts, engineering/construction contracts, long-term loan contracts, and other contracts that would affect shareholders' equity, where said contracts were either still effective as of the date of publication of the annual report, or expired in the most recent fiscal year

Nature of contract	Contracting parties	Commencement and expiration dates	Major content	Restrictive clauses
Leasing	VIA Technologies Co., Ltd.	2024/1/1 ~2026/12/31	Office Leasing Contract	None

## Five. Sustainable development

### I. Corporate commitment

List any employee benefit plans, human rights policy, gender equality and diversity management, continuing education, training, retirement systems, and the status of their implementation, and the status of labor-management agreements and measures for preserving employees' rights and interests:

The Company has always upheld to the business philosophy of "Labor-management cooperation, labor-management harmony". It, in accordance with the relevant laws and regulations and with the objective of "giving back to employees", plans and implements various employee benefits, continuing education and development programs, and retirement system, and makes timely contributions to pensions. Therefore, over the past few years, the Company and employees have enjoyed harmonious labor relations with sound benefits, a smooth channel for complaints, and a motivating and developing work environment.

#### (I) Employee Welfare Measures

##### 1. Employment

The Company strictly complies with the Labor Standards Act, prohibits the use of child labor, and prohibits any employment discrimination based on gender, age, disability, pregnancy, race, or religion of employees. All employments are based on clear and reasonable labor agreements. In the event of termination of employment, severance must be made in accordance with the Labor Standards Act.

##### 2. Employee cohesiveness

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

##### 3. Employee services

Sympathizing the hard work of the staff, we provide software and hardware services, including: automobile and motorcycle parking, gymnasium, medical and breastfeeding rooms, afternoon snacks and evening meal boxes; and massage services by blind masseurs, so that the staff can relax after work. At the same time, the Company has contracted with nearby medical institutions and daycare centers to provide employees and their families the products for use with a peace of mind.

##### 4. Employee safety and healthcare

###### (1) Employee health management

A. For implementing workplace safety, the Company has established employee crisis handling and care procedures, and installed two sets of AEDs (automated external defibrillators) in the gym and office areas to ensure the rescue timeliness for cardiac arrest emergencies of employees. Besides setting up AEDs, the Company also organizes CPR and psychological first aid courses on a regular basis, and encourages employees to obtain first aider certificates. This goes beyond the measures required by the "Regulations for the Occupational Safety and Health Equipment and Measures". Four colleagues of the Company have received 16 hours of "Emergency First Aid Safety and Health Education and Training" and obtained certification, strengthening the Company's ability to respond to emergency events.

B. To let employees pay more attention to their own health situation for "early detection, early treatment", the Company regularly holds health examination every two years for all employees. At the same time, the abnormal health examination data is managed and tracked by grade level, referred to professional physicians for consultation or suitable outpatient services, and with further tracking and supervision of employees to improve their daily habits. In 2024, the Company completed the evaluation and contract signing with five hospitals and health examination centers. The total expenses of health examinations for all employees were NT\$605,770.

C. In accordance with the "Occupational Safety and Health Act" and the "Labor Health Protection Rules," along with the health checkup activities, all employees are surveyed for occupational injuries and illnesses every two years. Through the four major occupational safety and health questionnaires, we conduct surveys to form an understanding on the employee health status. The health protection service is dedicated to protecting the physical and mental health of employees from occupational disasters committed to the improvement of occupational hazards such as illnesses triggered by abnormal workload, repetitive musculoskeletal disorders, illegal infringements, and depression. At the same time, it also attaches great importance to and cares for maternal health and other protective measures.

###### (2) Physical and mental balance of employees

To fulfill the Company's mission of combining innovation and care, we attach great importance to the health of the whole person in the care of employees, provide professional physical, mental, and spiritual care through different professional services, and emphasize on soft skills

training, and strive to build a happy workplace

- A. The Company hires Director Liu of the Family Medical Department of Xindian Gengxin Hospital to provide services in its premises once a month to provide face-to-face consultation to employees for medical information, health check report, health consultation and prevention of infectious diseases and occupational injuries.
- B. The Company mandates psychological counselors to provide one by one care (50 mins) and assistance to address individual employee's needs and issues. Such as psychological counseling, career planning, marriage counseling, workplace stress management, bereavement care and grief counseling, employee crisis management, employee assistance programs, employee behavioral risk and crisis management, employee assistance programs, and supervisory counseling services, as well as reporting channels for unlawful violations such as sexual harassment, stalking and harassment, gender equality, and workplace bullying.
- C. The Company, in accordance with the "Occupational Safety and Health Act", mandates occupational health nurse to provide health services for employees. Such health services includes general and emergent physical care, physical fitness testing, health consultation, health care, and health promotion activities.
- D. The Company organizes various physical and mental seminars and health promotion courses on a regular basis, covering physical and mental health, weight loss program, medical knowledge, walking for health, fitness, human factor engineering prevention, unlawful infringement of human-to-human communication, and other occupational disaster prevention. A total of 16 sessions were held for 374 employees, so that employees were able to learn various new things, and communicate with people from different departments of the Company. By doing this, we also strengthen the relationship between employees and promote a friendly workplace and a diversified and inclusive culture.

5. Employee-family support program

When employees need care and assistance, such as in the event of an employee's accident or critical changes in the family, the Company employs professional psychological counselors to immediately activate a complete employee-family care mechanism - to care, visit and comfort family members, establish a trusting relationship, and keep concerning their family about recent developments. It would follow up from time to time and provide financial, legal and other employee assistance programs as necessary.

6. Employee welfare committee

The Company allocates certain proportion of its revenue to the committee by "Employee Welfare Committee Organization Guidelines". The Employee Welfare Committee members are elected by each department and are responsible for arranging its funds for not only providing cash gifts for three tradition festivals, birthday, and employee wedding, the condolence money, but also adopting a flexible benefit system in order to maximize the fund's usage for all employees.

(II) Human Rights Policy

Based on the overarching core values of integrity, the Company is committed to creating a respectful and dignified workplace where the employer and employee are harmonious, and supports and respects international labor human rights, including the Universal Declaration of Human Rights and the United Nations Guiding Principles on Business and Human Rights. "Declaration of Fundamental Principles and Rights at Work" of the International Labor Organization, and the "Global Compact of Human Rights Policy Program" and abiding by the relevant labor laws and regulations of global locations, we treat and respect all permanent and temporary employees, and disadvantaged groups such as the mentally and physically challenged, while implementing the Company's human rights policy programs. The specific principles are as follows:

1. Prohibition of forced labor and child labor: We prohibit any form of human trafficking. Employees must not be forced into labor through violence, coercion, confinement, or any other illegal means. Child labor is prohibited, and age verification is carried out when hiring employees to protect the rights and interests of children and young people.
2. Salaries and working hours: Our salaries and benefits are all in compliance with local regulations, and are not lower than the minimum wage requirement. Regular salary surveys are conducted to adjust remuneration and benefits as needed to protect employees' needs for daily wages. The Company follows local regulations and manages working hours, vacations, and statutory holidays.
3. Diversity and inclusiveness to prohibit discrimination: Discrimination is strictly prohibited in terms of nationality, region, skin color, ethnicity, religion, gender, sexual orientation, social class, wealth, education, occupation, employment status, or age. Salary determinations must also not vary based on gender, age, ethnicity, religion, or political stance.
4. Friendly workplace: The Company enforces and promotes a friendly workplace, advocates gender equality, and prohibits any violence or harassment in any form in the workplace. The Company enforces and promotes a friendly workplace culture of zero harassment and zero bullying.
5. Safe and healthy work environment: The Company has implemented procedures and continues to

optimize a safe work environment. The Company also organizes training on labor safety and health, and disaster prevention and fire prevention training to enhance employees' knowledge on safety and health, and prevent occupational disasters and diseases. The Company organizes health examination and health seminars on a regular basis to provide employees with a space for sports and fitness. The Company also organizes diversified activities and seminars to achieve a balanced lifestyle between employees' physical and mental well-being. The Company cares for the health of employees and their families, and creates a physically and mentally stable working environment.

6. Freedom of association: Employees are encouraged to form associations and to enrich their work and life.
7. Harmonious employment relations: The Company has established a positive and open communication channel with employees, and take in their opinions and feedback. Labor-management meetings are also held regularly to promote harmonious employment relations.
8. Grievance system: Grievance channels are set up to allow employees to voice out to the Company on various issues. In addition, to maintain gender equality in employment, the Company provides employees and job seekers with a work and service environment free of sexual harassment. The Company has also set up a dedicated grievance hotline and email for filing grievances of sexual harassment and unlawful violations of the workplace. All grievances are kept confidential during the investigation period, and the name of the whistleblower or other information that can identify the identity of the whistleblower is not disclosed to ensure protection.
9. Periodic evaluation: Human rights management results, assess human rights-related systems are periodically reviewed and management operations optimized. Human rights policies are also publicly disclosed on the Company's official website to enhance the human rights awareness among employees and stakeholders, and we continue to make improvement.

### (III) Gender equality and diversity management

The Company advocates gender equality in the workplace, respects the differences of every employee, protects the rights and interests of diverse gender groups, and ensures that employees are not discriminated against based on disability, gender, sexual orientation, age, background, class, politics, religious belief and race, and are not treated with prejudice or unfair treatment. Apart from prohibiting child labor and hiring employees of different genders and nationalities, we are more committed to promoting fair compensation and promotion in employee retention and actively planning for diversity management, such as: sexual harassment prevention and prohibition of illegal abuse policies, established the gender equality committee, set up anti-discrimination, gender equality, sexual harassment and bullying complaint windows, maternal and breastfeeding care, gender equality, employment discrimination prevention and other friendly workplace education and training, in order to improve the correctness of all employees' knowledge and ensure that high-level management are committed and supports related measures. The Company strives to create greater compatibility for employees with different backgrounds, encourage the embracement of each other's differences, and move towards a diverse workplace culture conducive to inclusiveness.

In particular, we advocate the new DEI (Diversity Equity, Inclusion) workplace culture in order to implement ESG sustainability strategies. Therefore, one gender equality course was held in 2024, from the preventive perspective and regulatory perspective of psychologists and the training to provide all employees with learning about the "Gender Equal Employment Act" and "employment discrimination", to encourage employees to actively participate in the learning of gender equality, and to promote friendly workplace, sharing a culture of inclusiveness, enhances the employees' sense of psychological safety and belonging.

#### Employee Ethnicity Indicator

Category	Percentage to all employees (%)	Percentage in management level (%)
Chinese nationals	99.48%	97.37%
Foreign nationals	0.52%	2.63%

#### Female Diversity Indicator

Indicator	Percentage (%)
Female employees (%)	21.88%
Female managerial officers (%)	18.42%
Female Ranking of Junior Management (%)	26.67%
Female senior executives (%)	13.04%

#### Other diversification indicators

Category		Percentage of full-time employee equivalents (FTEs) (%)
Persons with disabilities		0.52%
All employees	By age group: < 30 years old	15.10%
	By age group: 30 - 50 years old	61.46%
	By age group: > 50 years old	23.44%
	Total	100.00%

#### (IV) Further Education and Training

The Company values the planning of employees and is committed to talent cultivation. In order to comprehensively improve the management ability and professional skills of colleagues, the Company formulates a corporate training program every year based on its development needs to ensure that the employees' career development and organizational goals can grow simultaneously, achieving the overall training results. In addition to deepening professional knowledge through work guidance and internal training, the Company also actively arranges external training opportunities to exchange knowledge with external institutions and academic units, thereby refining professional skills and supplementing the knowledge gap.

1. Internal training courses focus on the exchange of professional skills within the Company and enhancing the working capability of employees. The courses include: new employee orientation, department internal training, environmental safety training, etc.
2. External training courses are attended by designated employees who are assigned by department heads and employees according to the job requirements. They can provide good professional training for the Company's employees.
3. In 2024, the Company further reinforced the employee's functional improvement plan, and planned key courses such as "information security management", "cross-generation talent leadership" and "work management and execution". In doing this, we helped employees strengthen their digital security awareness, improve leadership and communication skills, and optimize work planning and execution efficiency, ensuring continuous growth of employees in different fields.

The results of the Company's education and training in 2024 are as follows:

Unit: Person; Times: Hour: NTD

Item	Total Attendance	Total Sessions	Total Hours	Total Cost (NT\$)
Professional training	1,309	33	2,481	415,716
Leadership and management	56	7	459	
New employee orientation	9	1	72	
External courses	41	38	332	

(V) Employee retirement system

In order to stabilize the life of employees after retirement, the Company stipulates the labor retirement policies in accordance with the "Labor Standards Act" and "Labor Pension Act". Domestic employees are subject to the new system under Labor Pension Act. The Company makes monthly contribution of 6% of the employee's monthly wages to their personal pension accounts; Foreigner employees are able to choose new system or old system. The Company establishes a Labor Pension Supervisory Committee and contributes 2% of the total monthly wages of these employees and deposits such amount in a designated account with Bank of Taiwan to protect the rights of employees.

The Company stipulates, in accordance with the Labor Standards Act, as follows:

1. Voluntary retirement criteria

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

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

2. Force retirement criteria

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

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

The age requirement in the preceding paragraph may be postponed by the employer and the employee through negotiation. For positions that are dangerous and labor-intensive, the business unit may petition with the central competent authority for adjustment of the age requirement, but the age must not be less than 55 years old.

3. Criteria for payment of pensions

- (1) The employee who is applicable to the Old System, the pension payment is calculated in accordance with Article 55, Paragraph 1, Subparagraph 1 of the Labor Standards Act. However, according to Article 54, Paragraph 1, Subparagraph 2, an additional 20% on top of the amount calculated according to the preceding subparagraph shall be given to employees forced to retire due to disability incurred from the execution of their duties in accordance with Article 55, Paragraph 1, Subparagraph 1 of the Labor Standards Act.
- (2) The employee who is applicable to the New System, the Company makes monthly contribution of 6% of the employee's monthly wages to his/her personal pension account.

4. Pension payment

The Company would pay the pensions within 30 days from the day of retirement for the employee who is applicable to the Labor Standards Act.

(VI) Labor-management agreements and employees rights protective measures

The Company attaches great importance to the harmony of labor relations and the protection of employees' rights. Labor-management meetings are held regularly to maintain a smooth communication channel between the two parties. In 2024, four labor-management meetings were held. The Company's internal electronic platform enables the Company's policies and information to be disclosed and communicated in a timely manner. An anonymous "Employee Feedback Section" has been established to receive valuable suggestions and feedback from employees, as well as ensuring all issues raised by employees would be taken seriously by the relevant units, and addressed and responded to properly. Through the above methods, we ensure smooth labor-management communication channels, effectively promote harmonious labor-management relations, and create a good working environment.

(VII) Response to labor disputes

List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to labor disputes (including any violations of the Labor Standards Act found in labor inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, the substance of the legal violations, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided:

The Company values and actively listens to the voices of employees, and is committed to building a diverse and smooth communication mechanism to promote healthy communication between employers and employees. The Company also complies with laws and regulations. Its various management systems and employee welfare measures are considered good. Since its incorporation, the Company has maintained harmonious labor relations and no labor disputes have occurred. There was not any losses suffered by the Company in the most recent fiscal year and up to the annual report publication date due to labor disputes. The likelihood of future labor disputes is also extremely low.

## II. Social participation

- (I) The company is committed to adhering to the concept of saving energy and natural resources, realizing that environmental protection is one of the most important issues for mankind today, designing and manufacturing products that are most environmentally efficient, and encouraging employees to participate in efforts to protect the earth. It holds, from time to time, health talks, promotion of the office's energy saving and carbon reduction, efforts to recycle resources, promotion of "environmental protection", "low carbon diet" and "environmental health" and other topics to take care of the earth.
- (II) The Company cares for disadvantaged groups. It has held relevant events and invited employees to participate from time to time:
1. Christmas charity sale: The Company participated in Group charity events in 2024, inviting disadvantaged groups, such as Autism Society of Taiwan, Children Are Us Foundation, Gofe Sheltered Workshop, Sheltered Workshop for the Blind (Xin-tien), The Garden of Hope Foundation, Daan Shelter Farm, San Love Social Welfare Association, and TAIPEI VICTORY HANDICAPPED DEVELOPMENT CENTER (PURE COFFEE, Shulin Store, New Taipei City), and Orphan Welfare Foundation Taipei, and the total amount was NT\$65,460.
  2. Long-term support for the "1919 Book Donation Program" organized by the Chinese Christian Relief Association: In 2024, the Company participated in the group's public welfare donation and donated 286 books and NT\$320 of feedback money.
  3. Participation in the used shoes life-saving project organized by Christian Care International and donation to Dr. Rednose: In 2024, the Company participated in the group's charity donation and donated charitable materials (202 pairs of second-hand shoes, 25 pieces of second-hand bags, and 280 pieces of second-hand clothes).
- (III) Community Risks and Opportunities

The Company has been in Taiwan for nearly a decade, and has been adhering to the philosophy and goal of "improving neighborliness and making society a better place" along the way. For the purpose of driving social welfare and caring for the disadvantaged groups, we have organized several social assistance and charities. Employees take concrete actions to devote themselves to social welfare, contribute to the community, and become community citizens.

2024 Community Citizenship Action		
Category	Description	Time
Blood Donation for Public Welfare Activities	The Company participated in the blood drive organized by the MiTAC Foundation three times a year in summer, autumn and winter, encouraging employees to roll up their sleeves and donate blood to save lives.	2024.1.30, 2024.7.18, 2024.10.21

## III. Environmental efforts

Disbursements for environmental protection: any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in environmental inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: Not applicable.

In line with the government's green consumption policies, the Company purchases products with five major labels, including environmental protection label, energy saving label, water saving label, green building materials label and carbon label, to implement green consumption for all people.

- (I) Work Environment and Employee Safety and Protection Measures
1. Promotion of Restriction of Hazardous Substances (RoHS): The Company has an occupational safety and environmental protection personnel who is responsible for the promotion and execution of environmental, safety, and health related affairs, as well as a "Class-I Manager of Occupational Safety and Health Affairs" who is responsible for the development, planning, and determining of the Company's overall environmental, safety, and health strategies, and the promotion of various initiatives. In terms of industrial safety and environmental protection, the Company not only strives to comply with domestic environmental, safety, and health related laws and regulations, but also actively connects with international standards. It adopts ISO 9001 Quality Management System and IECQ QC080000 Hazardous Substance Process Management System, and obtains related certifications from the third-party certification authority every year. All of our products comply with True Green Policies, including EU RoHS 2.0 Directive and Halogen Free process. We also require our suppliers not to use hazardous substances in order to meet international customer demands for product safety. In addition, the



packaging materials and catalogs of our products are all made of eco-friendly recycled paper and eco-friendly ink to reduce environmental pollution.

2. Disaster prevention and contingency measures: The Company formulates "Procedures for Contingency Plan" and "Fire Protection Plan", holds at least two drills per year to ensure that when major disasters such as fires and epidemics occurs, all personnel of the Company understand the contingency measures; and the departments and emergency response groups can follow all operations to unify the commands and operation steps, so as to reduce casualties and control damage.
  3. Occupational disaster prevention plan: In order to achieve the goal of zero occupational disasters, the Company draws up an annual occupational disaster prevention plan at the end of each year, and each business unit actually implements it and conducts drills according to the schedule and content of the plan, and then confirms the improvement of the implementation effectiveness and deficiencies through the audit system. Every three months The labor-management meeting to revise the occupational disaster prevention plan. According to the resolutions of the labor-management conference, the annual occupational disaster prevention plan is formulated, and the PDCA method is continuously used to reduce the hazard risk of the business unit year by year to achieve the ultimate goal of zero disaster.
  4. Work environment measurement: In accordance with the "Implementation Measures for Labor Work Environment Monitoring", the Company commissions a qualified work environment measurement agency approved by the Labor Committee to conduct work environment measurement for carbon dioxide (CO<sub>2</sub>), illuminance, organic solvents (ethanol, n-bromopropane, isopropanol), lead (Pb), electromagnetic wave, and etc. Relevant measurement data are known to colleagues in accordance with the "Measures for the Implementation of Labor Working Environment Measurements" of the Administration Department, and are used as a reference for environmental improvement and energy-saving measures in various districts by the Administration Department and works departments.
  5. Automatic inspections: The Company draws up an automatic inspection implementation plan for electrical equipment, firefighting facilities and operating environment, actively discovers potential hazards, and strives to improve related deficiencies, so as to effectively control the occurrence of risks. The Company conducts building security inspection, fire maintenance declaration, regular maintenance of the general switch box on each floor, and infrared thermal imaging inspection on an annual basis. It changes all office and lab outlets to fixed outlets without using extension cords, and checks power circuit loads regularly to reduce potential public safety hazards and improve the safety of the Company's work environment.
- (II) Specific practices and results of energy-saving measures

The Company is a professional integrated circuit design company for fabless manufacturing companies, mainly engaged in the development, design and testing of various integrated circuits. The manufacturing of products is contracted to professional foundries for production and processing. In 2024 and as of the date of publication of the annual report, there was no record of environmental pollution and waste management defects by the environmental protection competent authorities.

1. Environmental management performance objectives are as follows:
  - (1) Short-term goal is to comply with the relevant environmental laws and regulations and promote waste resource classification and reduction activities to achieve the original material reduction and waste reduction targets;
  - (2) Medium-term goal is to continuously improve environmental management systems and reduce impacts on the environment;
  - (3) Long-term goal is to promote employee participation and attention to energy conservation and carbon reduction and greenhouse gas reduction issues, and to uphold the concept of energy conservation and natural resources, and to work for environmental and ecological improvement.
2. The main specific measures and achievements of environmental protection and energy saving are as follows:
  - (1) The Company designs and manufactures the most environmentally-efficient products, strives for the product miniaturization and lightweight to reduce the impact of company operations on the natural environment, promotes waste classification and resource recycling, and implements 5R (Reduce, Reuse, Recycle, Repair, Refuse) to effectively reduce the disposal volume of hazardous industrial waste. The weight of industrial waste disposal in 2024 and 2023 was 154kg and 440kg respectively. The weight of industrial waste disposal in 2023 was higher than that in 2022 as it was accumulated from previous years.
  - (2) The Company's main source of GHG emissions is the use of electricity. The energy-saving measures of the Company resulted in the consumption of 392,541 kWh of electricity converted into CO<sub>2</sub> emissions of 193.9 tons in 2024, and the emission of 211.12 tons of CO<sub>2</sub> from 426,520 kWh in 2023, saving 33,979 kw/hr and reducing CO<sub>2</sub> emission by about 17.22 tons. The total electricity consumption for 2024 and 2023 was NT\$1,623,601 and NT\$1,595,680, respectively. The increase of NT\$27,021 was due to the average increase of 11% announced by TPC on April 1, 2024, and the average increase of 8.8% announced by TPC on October 16, 2024. The Company, on an annual basis, performs quarterly, and monthly routine maintenance of air conditioning equipment, such as

ice water main engine, ice water blower, total heat exchanger, etc., to reduce its failure rate and improve its performance. The Company has also implemented the operation of turning off the office lights during the lunch break and the replacement of T5 lamps with LED energy-saving lighting fixtures, which can reduce lighting power consumption by (44.6)%.

- (3) The Company's total water consumption in 2024 and 2023 were 2,993 ton and 4,079 ton, respectively. The higher water consumption in 2023 was due to the abnormal public cooling water tower water allocation increase in 2023. The Company continues to promote the use of water conservation and water conservation mark products: two-stage flush toilets, water conservation mark faucets, induction flushing urinal equipment and water conservation promotion.
- (4) Although the Company is in a period of business growth, it does not operate a power-consuming business such as a factory. Nevertheless, in order to protect the environment and operate on a sustainable basis, the Company has continued to implement measures and set targets of 1% of energy saving, carbon reduction, greenhouse gas reduction, water saving, and other waste reduction per year.
- (5) The Company implements the green design of non-toxic raw materials for products, and promotes green procurement and management. Through products and services, the Company provides and assists customers with measures to reduce the impact on the environment and improve environmental quality; in addition, the Company's product packaging materials and catalogs are also being rolled out replacing materials with environmentally friendly materials, using environmentally friendly recycled paper and environmentally friendly inks, and more to reduce environmental pollution.
- (6) The company is committed to promoting environmental protection concepts and education, and continues to promote environmental-related information to employees, such as waste reduction and resource classification. It also encourages employees to participate and pay attention to various energy saving, carbon reduction and greenhouse gas reduction issues such as catering gift box suppliers promote the use of environmentally friendly tableware to employees, promote to reduce the use of hand towels and paper cups to employees, and purchase products with eco-friendly labels.

## Six. Review and Analysis of Financial Conditions, Financial Performance, and Risk Management

### I. Analysis of financial position

Unit: NT\$1,000; %

Item \ Year	2023	2024	Increase (Decrease)	
			Amount	%
Current assets	2,229,736	1,978,392	(251,344)	(11%)
Property, plant and equipment	115,789	106,592	(9,197)	(8%)
Right-of-use assets	43,441	29,222	(14,219)	(33%)
Intangible assets	127,988	115,595	(12,393)	(10%)
Other assets	1,088,009	1,558,410	470,401	43%
<b>Total assets</b>	<b>3,604,963</b>	<b>3,788,211</b>	<b>183,248</b>	<b>5%</b>
Current liabilities	717,455	855,645	138,190	19%
Non-current liabilities	32,619	28,971	(3,648)	(11%)
<b>Total liabilities</b>	<b>750,074</b>	<b>884,616</b>	<b>134,542</b>	<b>18%</b>
Common stock	690,740	697,260	6,520	1%
Capital collected in advance	5,191	882	(4,309)	(83%)
Capital surplus	1,576,268	1,581,469	5,201	0%
Retained earnings	611,451	628,574	17,123	3%
Other equity	(28,761)	(75,458)	(46,697)	162%
Non-controlling interest	0	70,868	70,868	100%
<b>Total equity</b>	<b>2,854,889</b>	<b>2,903,595</b>	<b>48,706</b>	<b>2%</b>
<p>(I) The main reasons for significant changes (changes of 20% or more and amounting to NT\$10 million or more) in the last two years:</p> <ol style="list-style-type: none"> <li>1. Decrease in right-of-use assets: Mainly due to the amortization of the lease term of the office in the current period.</li> <li>2. Increase in other assets: Mainly due to the increase in investment in "financial assets at amortized cost - non-current" of approximately NT\$262,464 thousand and "financial assets at fair value through other comprehensive income - non-current" of approximately NT\$181,901 thousand for the period.</li> <li>3. Decrease in other equities: Mainly due to the decrease in unrealized gain or loss of equity instrument measured at fair value through other comprehensive income.</li> <li>4. Increase in non-controlling interests: Mainly due to the investment in the establishment of a new branch, HuiLink Technologies, (Xiamen) Inc. in the current period, in which the Company holds 55% its shareholding and another company holds 45% of its shareholdings.</li> </ol> <p>(II) Countermeasures for financial position changes in the last two years which have a significant impact: the above changes are normal business changes and have no significant impact on the Company's financial position.</p>				

## II. Analysis of Financial Performance

(I) Reasons for significant changes in operating income, operating profit and net income before tax for the most recent two years

Unit: NT\$1,000; %

Item \ Year	2023	2024	Increase (Decrease)	
			Amount	%
Operating revenue	2,035,103	1,700,310	(334,793)	(16%)
Operating costs	1,103,743	849,353	(254,390)	(23%)
Gross profit	931,360	850,957	(80,403)	(9%)
Operating expenses	775,215	836,322	61,107	8%
Operating profit	156,145	14,635	(141,510)	(91%)
Non-operating income and expenses	57,682	165,289	107,607	187%
Interest income	34,034	38,511	4,477	13%
Other gains and losses	23,823	130,181	106,358	446%
Finance costs	(175)	(3,403)	(3,228)	1,845%
Profit before income tax	213,827	179,924	(33,903)	(16%)
Income tax expense	(33,258)	(27,689)	5,569	(17%)
Net income	180,569	152,235	(28,334)	(16%)
Other comprehensive income (after tax)	(1,274)	(44,884)	(43,610)	3,423%
Total comprehensive income	179,295	107,351	(71,944)	(40%)
Net income attributable to owners of the parent	180,569	157,248	(23,321)	(13%)
Total comprehensive income attributable to owners of the parent	179,295	109,410	(69,885)	(39%)
<p>The main reasons for significant changes (changes of 20% or more and amounting to NT\$10 million or more) in the last two years:</p> <ol style="list-style-type: none"> <li>1. Decrease in operating cost: Mainly due to the decrease in and recognition of the gain on reversal of inventory of NT\$105,681 thousand due to the change in operating revenue and scrap losses of NT\$2,796 thousand.</li> <li>2. Decrease in operating profits: Mainly due to the decrease in gross operating profits and the increase in operating expenses.</li> <li>3. Increase in non-operating income and expenses, other gains and losses: Mainly due to the increase in the recognized gain on financial products of NT\$48,521 thousand, the increase in net foreign currency exchange gain of NT\$31,442 thousand, and the increase in dividend income of NT\$20,020 thousand.</li> <li>4. Decrease in other comprehensive income (net after tax) for the period, total comprehensive income for the period, and comprehensive income attributable to owners of the parent company for the period: Mainly due to the decline in the terminal demand, the decrease in operating revenue, and the effects described above.</li> </ol>				

(II) Sales forecast and basis, and possible impact on the Company's future financial operations and business plans: None.

### III. Analysis of Cash Flow

#### (I) Cash flow analysis for the most recent two years

Unit: %

Item \ Year	2023	2024	Variance
Cash flow ratio	138.29	50.75	(63.30)
Cash flow adequacy ratio	76.90	80.21	4.31
Cash reinvestment ratio	15.28	9.13	(40.23)
Analysis of variances: 1. Cash flow ratio change analysis: It was mainly due to cash flows from operating activities decreased compared to the previous year. 2. Analysis of changes in cash flow adequacy ratio: The increase in cash flow was mainly due to the net cash inflow from operating activities in the past five years which was greater than the increase in capital expenditures, resulting in an increase in inventories and cash dividends in the last five years. 3. Analysis of changes in cash reinvestment ratio: Mainly due to the decrease in cash flow from operating activities in the current year.			

#### (II) Analysis of cash liquidity in the coming year (2025)

Unit: NT\$1,000

Opening Cash and Cash Equivalents ①	Estimated Net Cash Flow from Operating Activities ②	Estimated Net Cash Outflow from Annual Investment and Financing Activities ③	Estimated Cash Surplus (Deficit) ①+②-③	Remedies for Estimated Cash Deficit	
				Investment Plan	Financing Plan
1,217,459	188,782	278,385	1,127,856	None	None

Note: The financing activities include cash dividend distribution of NT\$125,732 thousand.

#### (III) Remedies for Estimated Cash Deficit and liquidity analysis: No cash shortage is expected.

### IV. The Effect upon Financial Operations of any major capital expenditures during the most recent fiscal year

The Company's capital expenditure in 2024 totaled NT\$150,174 thousand, mainly due to the purchase of R&D equipment, computer software and office equipment for the business development of the Company. The source of funds was the Company's own funds.

### V. Investment Policy in the most recent fiscal year, main causes for profits or losses, improvement plans and the investment plans for the coming year

#### (I) Investment Policies

The Company is currently investing strategically based on its basic operating needs or future growth considerations. The Company invests in accordance with the "Procedures of Acquisition and Disposal of Assets" stipulated by the competent authority, and the investment is executed by relevant units according to Internal Control System Policies. The above Procedures and Policies have all been resolved by the Board of Directors and Shareholders' Meeting.

#### (II) Investment policy in the most recent fiscal year, main causes for profits or losses, and improvement plans:

The Company recognized the loss of the subsidiary under the equity method as NT\$(3,820) thousand in 2024. The loss was mainly due to the investment in the establishment of a subsidiary, Huilian Core Bridge Technology (Xiamen) Co., Ltd., which was still in the early stage of business development. The future improvement plan is to strengthen the cooperation with IC distributors and increase product lines to expand business and increase profits.

#### (III) Investment plans for the coming year:

The Company's reinvestments will be made on a strategic basis and the Company will continue to carefully evaluate its reinvestment plans.

## VI. Risk analysis and evaluation

- (I) Effects of changes in interest rates, foreign exchange rates and inflation on the Company's profit, and future countermeasures

### 1. Changes in interest rate

Unit: NT\$1,000; %

Item	2023 (Note)		2024 (Note)		Current year as of March 31, 2025 (Note)	
	Amount	Percentage of operating revenue	Amount	Percentage of operating revenue	Amount	Percentage of operating revenue
Interest income	34,034	1.67%	38,511	2.26%	8,580	2.20%
Interest expense	175	0.01%	3,403	0.20%	1,256	0.32%

Note: Audited (reviewed) by the CPAs.

The Company's capital planning is conservative and prudent, with a focus on safety and liquidity. The Company currently is sufficient in capital and has no borrowing needs. Interest income and interest expenses accounted for less than 3% of the Company's operating income in 2023 and 2024. Therefore, changes in interest rates did not have significant effect on the Company's operation. The Company maintains a close relationship with banks and regularly assesses interest rates and financial information. When there is a capital need in the future, the Company would take the necessary measures in due course to reduce the risk of interest rate changes to the Company's profits.

### 2. Changes in foreign exchange rate

The Company uses USD to denominate its purchases and sales. The net foreign exchange gains (losses) for 2023, 2024, and 2025 were NT\$4,495 thousand, NT\$35,937 thousand, and NT\$3,429 thousand, respectively, and accounted for as percentage of operating revenue were 0.22%, 2.11%, and 0.88%, respectively. Changes in exchange rates would have an impact on the Company's foreign currency accounts and operating profits, but the overall impact on the Company's operations and profits would not have a significant impact. The Company's foreign currency fund management is conservative and prudent. For the position management of foreign currencies, in addition to the natural hedging effect of foreign currency-denominated sales and purchases, the Company also maintains close contact with its major banks to keep abreast of changes in the foreign exchange market so that its staff can use them as a basis for quotation and hedging operations. The Company also takes into account changes in exchange rates when quoting sales prices to ensure profitability and eliminate the significant impact of exchange rate fluctuations on the Company's profit.

### 3. Inflation

According to the 2024 Annual CPI Index published by the Directorate General of Budget, Accounting and Statistics, the annual CPI growth rate reached 2.18%, mainly due to the increase in basic commodities prices. The Company has not been significantly impacted by inflation. In view of the future global economic growth slowdown, rising interest rates and the industry's economic cycle will have an impact on the demand for consumer electronics products. The Company pays close attention to the fluctuation of supply, demand and price in the market, and makes good use of its cross-country sales offices to provide more stable supply and flexible shipment with flexibility and responsiveness, and actively adjusts its production and sales strategies to reduce the inflation impact on revenue and profitability.

- (II) The Company's policy regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions; the main reasons for the profits/losses generated thereby; and countermeasures to be taken in the future.

The Company focuses on its business development. In recent years and as of the date of publication of the annual report, the Company did not engaged in high-risk, highly leveraged investments, loaning of funds to others, and derivatives trading. The Company's endorsement and guarantee is mainly for the operation of the subsidiary, HuiLink Technologies, (Xiamen) Inc. The amount of endorsement and guarantee was US\$1 million as of March 11, 2025, for the purchase of materials by Semiconductor Manufacturing International Corporation and its associates, and is handled in accordance with the Management Policies of Making of Endorsements/Guarantees. The Company has established a complete operating procedure in the internal control system "Procedures for Handling Derivative Transactions", and the transactions are conducted by responsible departments accordingly. The Company has also established the "Procedures for Loans to Others", "Management Policies of Making of Endorsements/Guarantees", and "Procedures for the Acquisition and Disposal of Assets" as the basis for future actions to control the risk of the Company's operations.

- (III) Research and development work to be carried out in the future, and further expenditures expected for research and development
1. The main R&D direction of the Company is to develop USB4, SuperSpeed USB and USB Type-C related controllers for various platforms. Its leading R&D experience and technologies enable it to differentiate its products and apply them to a wide and diverse range of customer product designs, thereby enhancing the market value of the end products. The Company provides complete solutions to Customer's problems in designing, validating, and manufacturing their products, in the hope of achieving the goals of helping customers reduce costs, improve performance, and quickly into mass production, thereby enhancing and consolidating Customer's trust in the Company's products. The future R&D plans are as follows:
    - (1) USB4 40Gbps/80Gbps device and hub related controllers
    - (2) USB4 40Gbps Re-Timer control IC
    - (3) PCIe Gen5 Re-Driver control IC
    - (4) USB10Gbps Mux with Re-Driver control IC
    - (5) DP2.1 UHBR20 MST Hub multi-format audio and video conversion hub control IC
    - (6) Customized control Ics are provided to first-tier brands
  2. R&D expenses are expected to account for approximately 20% - 30% of the overall revenue to support the above-mentioned R&D plans and improve product competitiveness, and will be adjusted in a timely manner subject to changes in operating conditions and market conditions.
- (IV) Effect on the Company's financial operations of changes in important policies and laws and regulations at home and abroad
- The Company observes and pay attention to important policy and legal changes at home and abroad at times, and consults relevant experts to fully grasp and respond to changes in the market environment and make appropriate adjustments to respond to changes in regulations or policies. In the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, the Company has not impacted financially by changes in important policies and laws and regulations at home and abroad
- (V) Effect on the Company's financial operations of developments in science and technology (including cyber security risks) as well as industrial change
- The Company strives to innovative development and pursues corporate sustainability. It has a dedicated team monitoring relevant changes in technology and in the industries. It participates in international technical organizations that set specifications to keep abreast of technical trends and market changes in advance. It timely adjusts the future direction of the Company, further strengthens product technology to meet customer needs, and maintains a stable and flexible financial business development. Therefore, changes in technologies and industries have positive effects on the Company.
- In terms of cybersecurity risks, the Company actively construct its cybersecurity management network and implements each policies through firewall installation, server room management, and user information security management. It also conducts regular education and training annually to optimize employees' awareness on the level of information security, environmental maintenance and risks. The IT Department is responsible for the Company's cybersecurity governance, planning, supervision; promoting the implementation of policies; continuously assessing and screening possible risks, and propose timely measures to address various cyber security needs.
- (VI) Effect on the Company's crisis management of changes in the Company's corporate image and countermeasures
- The Company is committed to its business by upholding the corporate spirit of "integrity, positivity, innovation, discipline, customer trust" and the principles of professional and ethical management. It also adheres to the relevant laws and regulations stipulated by competent authorities, maintains good business relations with customers, and strengthens internal management to unite employees. The Company has always maintained a good corporate image by fulfilling its corporate social responsibilities, so there has been no corporate crisis caused by the change of corporate image the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report.
- (VII) Expected benefits and possible risks associated with any merger and acquisitions
- The Company does not have any M&A plan during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report. For any M&A plan in the future, the Company would conduct it in accordance with its "Procedures for the Acquisition and Disposal of Assets", and would cautiously evaluate the benefit to protect shareholders' rights and interests.
- (VIII) Expected benefits and possible risks associated with any plant expansion
- The Company focuses on the researching, developing, designing, and selling of chips. The production of its products is outsourced to OEMs to manufacture and process. The Company does not need a factory to engage in production, so there is no risk associated with the expansion of the factory.
- (IX) Risks associated with any consolidation of sales or procurement operations
1. Procurement: The Company's ICs are manufactured and processed by outsourced OEMs. Wafers are the main raw material, while packaging and testing costs are the main processing costs. The share of purchases from the top three suppliers in 2023 was 33%, 55% and 7%, respectively (95% in total), and

it was 46%, 42% and 5%, respectively in 2024 (93% in total). The Company is a professional IC design company with no fabrication. In order to meet customer product specifications, IC designers firstly take into account the supplier's process technology, yield, price, delivery accommodation, quality, stability of supply, and product confidentiality. The Company currently concentrate on a few manufacturers, which is a common practice of the IC design industry. This enables the Company to lower its production cost. Besides, the suppliers are fully cooperating with the Company in terms of production capacity, process, quality and delivery, etc. and maintains a good and stable partnership with the Company for a long time. The Company has more than two qualified suppliers for its main raw materials, so it can ensure stable supply and reduce the risk of concentration of supply in the future, except for the shortage caused by force majeure.

2. Sales: the main products of the Company are USB related control ICs. The share of sales to the top four customers in 2023 was 33.62%, 13.43%, 23.45%, and 11.00% respectively (81.50% in total), and it was 41.61%, 14.27%, 13.07%, and 10.2% respectively in 2024 (79.15% in total). The Company has a complete product line and therefore a large customer base. In addition to major international manufacturers and key customers, the Company has adopted a cooperative sales model with several IC distributors to implement strict collection policies and reduce customer management costs.
- (X) Effect upon and risk to the company in the event a major quantity of shares belonging to a Director or shareholder holding greater than a 10 percent stake in the Company has been transferred or has otherwise changed hands: There was no significant transfer of shares.
- (XI) Effect upon and risk to the Company associated with any change in governance personnel or top management: There was no change in governance personnel or top management.
- (XII) Litigious and non-litigious matters. List major litigious, non-litigious or administrative disputes that involve the company and/or any company director, the general manager, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than 10 percent, and/or any company or companies controlled by the company; and have been concluded by means of a final and unappealable judgment, or are still under litigation. Where such a dispute could materially affect shareholders' equity or the prices of the company's securities, the annual report shall disclose the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute as of the date of publication of the annual report: None.
- (XIII) Other important risks and countermeasures

1. Other important risks

The Company's risk-responsive organization is led by the Board of Directors as the top unit of the Company's risk management. The Board of Directors aims to comply with laws and regulations, promote and implement the overall risk management of the Company, clearly understand the risks faced by the Company's operations, and ensure the effectiveness of risk management. The President acts as the Convener to coordinate the promotion and operation of risk management programs, with the participation of the management and staff of the departments under the President, and the plan is supervised by the Audit Committee.

2. Countermeasures and risk management organizational framework

Responsible Unit	Business Risk Management
Board of Directors	Aims to implement corporate risk management. Clearly understands the risks to operations, ensures the effectiveness of risk management, and assumes ultimate responsibility for risk management.
Audit Committee	Supervising the Company's risk management, reviewing risk management policies, and regularly reviewing their applicability and execution effectiveness. Continuously supervise the effectiveness of the operation of the risk management mechanism to ensure that the Company's risks can be effectively identified, assessed, managed, responded to, and integrated into the daily operating procedures.
Audit Office	1. Assists the Board and managerial officers in examining and reviewing deficiencies of internal control systems, assessing operational effectiveness and efficiency, and providing timely recommendations for improvement. 2. Assesses whether departments are effectively implementing relevant risk management operations to ensure system implementation and compliance.
President Office	1. Assesses the risks of business decisions and performs countermeasures. 2. Media and public relations. 3. Human resources allocation and contingency control.



Responsible Unit	Business Risk Management
Product Management Division	<ol style="list-style-type: none"> <li>1. Market product analysis and new product development strategy.</li> <li>2. Marketing and advertisement for promoting the application value of the Company's products.</li> <li>3. Technical support for product sales and the control of assistance in solving customers' technical problems.</li> </ol>
Sales Division	Controls and manages possible changes in the Company's future business volume
R&D Division	<ol style="list-style-type: none"> <li>1. Controls R&amp;D progress and the work environment.</li> <li>2. Assesses the risk of new product and process development.</li> </ol>
Product and Process Division	<ol style="list-style-type: none"> <li>1. Review of product quality determination results, shipping quality inspection and review, and planning and promotion of the company-wide quality assurance system to ensure that it meets the standards and customer requirements, and maintains it effectively.</li> <li>2. Implement customer survey responses on the quality system, and track and list the handling of customer abnormalities.</li> </ol>
Management Division	<ol style="list-style-type: none"> <li>1. Assesses financial and tax risks.</li> <li>2. Assesses the Company's legal risks and performs countermeasures.</li> <li>3. Assesses cybersecurity and operating risks and performs countermeasures.</li> <li>4. Prevent occupational disasters.</li> <li>5. Occupational safety and health management education and plan implementation.</li> <li>6. Supplier and raw material procurement contingency plans.</li> <li>7. Related warehousing and transportation management.</li> <li>8. Equipment purchase alternative plan.</li> <li>9. Climate Change and Environmental Risk Assessment.</li> </ol>

### 3. Risk assessment of the Company's operation issues and countermeasures

Risk issue	Source of Risk	Description	Countermeasures
Corporate governance	Market risk	<ol style="list-style-type: none"> <li>1. Weak demand in the end market</li> <li>2. Price cutting competition in the industry</li> </ol>	Expand the application scope of existing products and work with international big firms to develop products.
			We will continue to gain the advantage of the pioneers through leading technology, and work with customers to promote business opportunities in new high-speed transmission specifications.
	Legal risk	Risks arising from contracts or related intellectual property rights	Carefully review contracts, establish a patent protection umbrella, and add 16 patents this year to reduce and avoid risks.
	Financial risk	Effect of exchange rate changes on the Company's profit	Mainly adopt natural hedging from foreign currency-denominated sales and purchases, as well as maintain close contact with its major banks to keep abreast of changes in the foreign exchange market and use them as a basis for quotation and hedging operations. The Company will also reduce the net foreign currency position in a timely manner to reduce risks.
Corporate governance	Cybersecurity risk	Leakage of corporate information and damage to intellectual property	The establishment of the Information Security Promotion Committee, and obtained ISO27001 certification, last year's implementation results and this year's work plan "Information Security Management System Operation (PDCA)", to ensure that the company's information assets are legal and effective security.
	Major Accident Risk	Business discontinuity due to natural disasters or force majeure	The Company has established business continuity management guidelines. All business continuity management personnel of relevant departments shall participate in business continuity management training or exercise once every two years. The content of the training and drill exercise shall include the post-drill review and analysis, and the time schedule for drill improvement. The business continuity management guidelines and related

Risk issue	Source of Risk	Description	Countermeasures
			business continuity management plans are reviewed at least once a year.
Society	Supplier risk	Suppliers fail to implement environmental, occupational safety and health, or labor rights norms.	The company has rigorous internal evaluation and investigation procedures for suppliers. In addition to listing the record of environmental impact and social impact as an important inspection item, the provision of all products must meet the legal environmental protection standards, and major suppliers can comply with the "Code of Conduct for Responsible Business Alliance" to manage and operate the enterprise.
	Personnel risk	Failure to attract and retain talent, leading to operational risks and development bottlenecks.	<p>The Company regards talent as its most important asset. In an effort to protect employees rights and interests, we have formulated a human rights policy and are dedicated to providing competitive salaries, an equal and diverse appointment system, comprehensive education and training, and attractive benefits. This helps the Company attract and retain talent and enhance the overall development momentum.</p> <p>To strengthen the competitiveness and fairness of remuneration, the Company regularly conducts salary surveys, establishing a fair, reasonable, and inspiring remuneration appraisal mechanism. We also ensure that salaries are not differentiated on the basis of gender, age, race, religion, or political stance.</p> <p>At the same time, we have built a multi-layer training system, covering newcomer training, professional skills and leadership development courses, to assist employees in their continuous growth while strengthening the organization's competitiveness and foundation for sustainability.</p>
Environment	Climate change risk	Extreme climate change destroys the Earth's environment	The company is committed to respond to the current global trend of energy saving and carbon reduction, in order to fulfill the responsibility of global citizens to protect the environment, such as: the control of air conditioning opening hours and temperature control, turn off the lights at will and the full use of energy-saving lamps... We are committed to the global trend of energy saving and carbon reduction in order to fulfill our responsibility as a global citizen to protect the environment. The Company's energy-saving lighting measure can reduce daily electricity consumption by 10-15%.

#### 4. Risk management implementation

- (1) The Company's Information Security Management Committee held an annual management review meeting on November 20, and held a meeting with the Information Department on December 11 to discuss the implementation of information security programs.
- (2) The Company has commissioned Taiwan Institute of Economic Research to conduct the employee training course "Global Economic Situation and Prospects" to discuss the political and economic situation in Taiwan, the US and China, and other major economies, as well as future uncertainties.
- (3) The Company's greenhouse gas inventory and verification schedule are currently being executed according to the plan.

## VII. Other important matter

Status of personnel concerning financial transparency obtaining licenses specified by competent authorities

Unit: people

Certificates	The Company	All companies in the consolidated financial statements
Certified Public Accountant, R.O.C.	2	2
Certified Internal Auditor, The Institute of Internal Auditors	1	1

## **Seven. Special Items to Be Included**

- I. For the information on affiliates, the consolidated business report, consolidated financial statements and related reports of affiliated enterprises prepared in accordance with the "Regulations Governing the Preparation of Consolidated Statements of Operations of Affiliated Companies and Related Party Reports" in the most recent year:**  
For details, please refer to the following website : [https://mopsov.twse.com.tw/mops/web/t57sb01\\_q10](https://mopsov.twse.com.tw/mops/web/t57sb01_q10)  
Please visit MOPS [Document Download] [Three Reporting Forms for Affiliated Enterprises].
- II. Handling of private equity in the latest year and up to the date of publication of the annual report:** None.
- III. Other necessary supplementary notes:** None.
- IV. In the latest year and up to the date of publication of the annual report, any event that has a significant impact on shareholders' rights and interests or securities prices as stipulated in paragraph 2, Item 3, Article 36 of the Securities and Exchange Act has occurred:** None.

# **Schedule 1**

## **2024 Consolidated Financial Statements and Independent Auditors' Report**

## **VIA Labs, Inc. and Subsidiaries**

**Consolidated Financial Statements for the  
Years Ended December 31, 2024 and 2023 and  
Independent Auditors' Report**

## DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2024 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standard No. 10, “Consolidated Financial Statements”. Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we do not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

VIA LABS, INC.

By

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March 11, 2025

## INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders  
VIA Labs, Inc.

### Opinion

We have audited the accompanying consolidated financial statements of VIA Labs, Inc. and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the “consolidated financial statements”).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

### Basis for Opinion

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter of the consolidated financial statements for the year ended December 31, 2024 is stated as follows:

#### Revenue Recognition

Revenue from the sale of goods is recognized when significant risks and control are transferred to the customers. Technical service revenue is recognized when performance obligations of services are fulfilled and the amount of revenue can be reasonably measured. The revenue from specific customers accounted for 46% of operating revenue in 2024, which is material to the consolidated financial statements. Therefore, we identified the recognition of revenue from the specific customers was deemed to be a key audit matter.

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

We understood and tested the effectiveness of the design and implementation of the main internal controls regarding the authenticity of revenue from specific customers. We also conducted sampling and confirmation procedures for the full-year sales revenue of these customers to test the authenticity of sales to these customers.

#### **Other Matter**

We have also audited the parent company only financial statements of VIA Labs, Inc. as of and for the years ended December 31, 2024 and 2023 on which we have issued an unmodified opinion.

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

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

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

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

#### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

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



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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2024 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 11, 2025

Notice to Readers

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

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

# VIA LABS, INC. AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024		2023	
ASSETS	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Notes 4 and 6)	\$ 1,217,459	32	\$ 1,389,385	38
Financial assets at amortized cost - current (Notes 4 and 9)	430,000	11	310,000	9
Accounts receivable, net (Notes 4, 10 and 30)	178,036	5	202,640	6
Other receivables (Notes 4 and 10)	8,638	-	3,611	-
Inventories (Notes 4, 5 and 11)	133,753	4	313,371	9
Other current assets (Note 16)	<u>10,506</u>	<u>-</u>	<u>10,729</u>	<u>-</u>
Total current assets	<u>1,978,392</u>	<u>52</u>	<u>2,229,736</u>	<u>62</u>
<b>NON-CURRENT ASSETS</b>				
Financial assets at fair value through profit or loss - non-current (Notes 4 and 7)	241,495	6	177,913	5
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	959,939	25	778,038	22
Financial assets at amortized cost - non-current (Notes 4 and 9)	262,464	7	-	-
Property, plant and equipment (Notes 4, 13 and 30)	106,592	3	115,789	3
Right-of-use assets (Notes 4, 14 and 30)	29,222	1	43,441	1
Intangible assets (Notes 4, 15)	115,595	3	127,988	3
Deferred tax assets (Notes 4 and 24)	93,288	3	94,024	3
Other financial assets - non-current (Notes 16 and 31)	1,000	-	37,846	1
Other non-current assets - others (Note 16)	<u>224</u>	<u>-</u>	<u>188</u>	<u>-</u>
Total non-current assets	<u>1,809,819</u>	<u>48</u>	<u>1,375,227</u>	<u>38</u>
<b>TOTAL</b>	<u>\$ 3,788,211</u>	<u>100</u>	<u>\$ 3,604,963</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term bills payable (Note 17)	\$ 209,993	6	\$ -	-
Notes and accounts payable (Notes 18 and 30)	77,230	2	151,665	4
Other payables (Notes 19 and 30)	509,009	13	445,293	12
Current tax liabilities (Notes 4 and 24)	24,304	1	81,700	2
Provisions - current (Notes 4 and 20)	7,377	-	8,538	-
Lease liabilities - current (Notes 4, 14 and 30)	14,430	-	15,284	1
Other current liabilities (Note 19)	<u>13,302</u>	<u>-</u>	<u>14,975</u>	<u>1</u>
Total current liabilities	<u>855,645</u>	<u>22</u>	<u>717,455</u>	<u>20</u>
<b>NON-CURRENT LIABILITIES</b>				
Deferred tax liabilities (Notes 4 and 24)	9,334	-	-	-
Lease liabilities - non-current (Notes 4, 14 and 30)	15,087	1	29,482	1
Net defined benefit liabilities (Notes 4 and 21)	<u>4,550</u>	<u>-</u>	<u>3,137</u>	<u>-</u>
Total non-current liabilities	<u>28,971</u>	<u>1</u>	<u>32,619</u>	<u>1</u>
Total liabilities	<u>884,616</u>	<u>23</u>	<u>750,074</u>	<u>21</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 22)</b>				
Share capital	697,260	18	690,740	19
Capital collected in advance	882	-	5,191	-
Capital surplus	1,581,469	42	1,576,268	44
Retained earnings				
Legal reserve	247,237	7	229,194	6
Special reserve	28,865	1	27,628	1
Unappropriated earnings	352,472	9	354,629	10
Other equity	<u>(75,458)</u>	<u>(2)</u>	<u>(28,761)</u>	<u>(1)</u>
Total equity attributable to owners of the Company	2,832,727	75	2,854,889	79
<b>NON-CONTROLLING INTERESTS</b>	<u>70,868</u>	<u>2</u>	<u>-</u>	<u>-</u>
Total equity	<u>2,903,595</u>	<u>77</u>	<u>2,854,889</u>	<u>79</u>
<b>TOTAL</b>	<u>\$ 3,788,211</u>	<u>100</u>	<u>\$ 3,604,963</u>	<u>100</u>

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

# VIA LABS, INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4 and 30)	\$ 1,700,310	100	\$ 2,035,103	100
OPERATING COSTS (Notes 11, 23 and 30)	<u>849,353</u>	<u>50</u>	<u>1,103,743</u>	<u>54</u>
GROSS PROFIT	<u>850,957</u>	<u>50</u>	<u>931,360</u>	<u>46</u>
OPERATING EXPENSES (Notes 23 and 30)				
Selling and marketing expenses	66,931	4	53,338	2
General and administrative expenses	91,014	5	76,255	4
Research and development expenses	<u>678,377</u>	<u>40</u>	<u>645,622</u>	<u>32</u>
Total operating expenses	<u>836,322</u>	<u>49</u>	<u>775,215</u>	<u>38</u>
PROFIT FROM OPERATIONS	<u>14,635</u>	<u>1</u>	<u>156,145</u>	<u>8</u>
NON-OPERATING INCOME AND EXPENSES (Notes 23 and 30)				
Interest income	38,511	2	34,034	2
Other income	20,020	1	-	-
Other gains and losses	110,161	7	23,823	1
Finance costs	<u>(3,403)</u>	<u>-</u>	<u>(175)</u>	<u>-</u>
Total non-operating income and expenses	<u>165,289</u>	<u>10</u>	<u>57,682</u>	<u>3</u>
PROFIT BEFORE INCOME TAX	179,924	11	213,827	11
INCOME TAX EXPENSE (Notes 4 and 24)	<u>(27,689)</u>	<u>(2)</u>	<u>(33,258)</u>	<u>(2)</u>
NET PROFIT FOR THE YEAR	<u>152,235</u>	<u>9</u>	<u>180,569</u>	<u>9</u>
OTHER COMPREHENSIVE INCOME AND LOSS (Notes 21, 22 and 24)				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of defined benefit plans	(1,359)	-	(141)	-
Unrealized loss on investments in equity instruments at fair value through other comprehensive income	(72,050)	(4)	(869)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	20,401	1	-	-

(Continued)

## VIA LABS, INC. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translating foreign operations	\$ 8,124	-	\$ (264)	-
Other comprehensive loss for the year, net of income tax	(44,884)	(3)	(1,274)	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 107,351</u>	<u>6</u>	<u>\$ 179,295</u>	<u>9</u>
NET PROFIT (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	\$ 157,248	9	\$ 180,569	9
Non-controlling interests	<u>(5,013)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 152,235</u>	<u>9</u>	<u>\$ 180,569</u>	<u>9</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 109,410	6	\$ 179,295	9
Non-controlling interests	<u>(2,059)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 107,351</u>	<u>6</u>	<u>\$ 179,295</u>	<u>9</u>
EARNINGS PER SHARE (Note 25)				
From continuing operations				
Basic	<u>\$ 2.26</u>		<u>\$ 2.62</u>	
Diluted	<u>\$ 2.23</u>		<u>\$ 2.57</u>	

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

(Concluded)

VIA LABS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023  
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company						Other Equity		Total Equity Attributable to Owners of the Company	Non-Controlling Interests	Total Equity
	Share Capital	Capital Collected in Advance	Capital Surplus	Retained Earnings			Unrealized Gain or Loss on Financial Assets at Fair Value Through Other Comprehensive Income	Exchange Differences on Translating Foreign Operations			
				Legal Reserve	Special Reserve	Unappropriated Earnings					
BALANCE AT JANUARY 1, 2023	\$ 685,110	\$ 4,496	\$ 1,571,188	\$ 156,817	\$ 22,209	\$ 768,732	\$ (27,997)	\$ 369	\$ 3,180,924	\$ -	\$ 3,180,924
Appropriation of 2022 earnings											
Legal reserve	-	-	-	72,377	-	(72,377)	-	-	-	-	-
Special reserve	-	-	-	-	5,419	(5,419)	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(516,735)	-	-	(516,735)	-	(516,735)
Transaction of share-based payment (Note 26)	-	-	550	-	-	-	-	-	550	-	550
Issuance of new ordinary shares under employee share options	5,630	695	4,530	-	-	-	-	-	10,855	-	10,855
Net profit for the year ended December 31, 2023	-	-	-	-	-	180,569	-	-	180,569	-	180,569
Other comprehensive loss for the year ended December 31, 2023	-	-	-	-	-	(141)	(869)	(264)	(1,274)	-	(1,274)
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	180,428	(869)	(264)	179,295	-	179,295
BALANCE AT DECEMBER 31, 2023	690,740	5,191	1,576,268	229,194	27,628	354,629	(28,866)	105	2,854,889	-	2,854,889
Appropriation of 2023 earnings											
Legal reserve	-	-	-	18,043	-	(18,043)	-	-	-	-	-
Special reserve	-	-	-	-	1,237	(1,237)	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(138,984)	-	-	(138,984)	-	(138,984)
Transaction of share-based payment (Note 26)	-	-	354	-	-	-	-	-	354	-	354
Issuance of employee share options	6,520	(4,309)	4,847	-	-	-	-	-	7,058	-	7,058
Net profit (loss) for the year ended December 31, 2024	-	-	-	-	-	157,248	-	-	157,248	(5,013)	152,235
Other comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	-	(1,141)	(51,867)	5,170	(47,838)	2,954	(44,884)
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	-	156,107	(51,867)	5,170	109,410	(2,059)	107,351
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	72,927	72,927
BALANCE AT DECEMBER 31, 2024	\$ 697,260	\$ 882	\$ 1,581,469	\$ 247,237	\$ 28,865	\$ 352,472	\$ (80,733)	\$ 5,275	\$ 2,832,727	\$ 70,868	\$ 2,903,595

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

# VIA LABS, INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before income tax	\$ 179,924	\$ 213,827
Adjustments for:		
Depreciation expense	90,248	81,579
Amortization expense	93,961	58,303
Finance costs	3,403	175
Interest income	(38,511)	(34,034)
Dividend income	(20,020)	-
Compensation costs of employee share options	354	550
Gain on lease modification	(67)	-
Changes in operating assets and liabilities		
Financial assets at fair value through profit or loss	(63,582)	(15,061)
Accounts receivable	24,604	56,427
Inventories	179,618	644,195
Other current assets	223	4,751
Notes and accounts payable	(74,435)	20,847
Other payables	65,659	(8,286)
Provisions	(1,161)	3,820
Other current liabilities	(1,673)	8,276
Net defined benefit liabilities	54	58
Cash generated from operations	438,599	1,035,427
Interest received	33,620	32,792
Dividends received	20,020	-
Interest paid	(3,403)	(175)
Income tax paid	(54,614)	(75,871)
Net cash generated from operating activities	434,222	992,173
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at fair value through other comprehensive income	(253,951)	(140,113)
Purchase of financial assets at amortized cost	(382,600)	(310,000)
Payments for property, plant and equipment	(65,940)	(97,632)
Proceeds from disposal of property, plant and equipment	4	-
Refundable deposits paid	(223)	-
Payments for intangible assets	(84,234)	(67,577)
Decrease in other financial assets	36,846	18,432
Net cash used in investing activities	(750,098)	(596,890)

(Continued)

## VIA LABS, INC. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

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	2024	2023
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term bills payable	\$ 209,993	\$ -
Repayment of the principal portion of lease liabilities	(15,079)	(13,707)
Dividends paid	(138,984)	(516,735)
Proceeds from exercise of employee share options	7,058	10,855
Change in non-controlling interests	<u>72,927</u>	<u>-</u>
Net cash generated from (used in) financing activities	<u>135,915</u>	<u>(519,587)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>8,035</u>	<u>(228)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(171,926)	(124,532)
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	<u>1,389,385</u>	<u>1,513,917</u>
CASH AND CASH EQUIVALENTS, END OF THE YEAR	<u>\$ 1,217,459</u>	<u>\$ 1,389,385</u>

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

(Concluded)



# VIA LABS, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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### 1. GENERAL INFORMATION

VIA Labs, Inc. (“VLI” or the “Company”) was incorporated in September 2008 under the Company Law of the Republic of China to engage in the programming, designing, manufacturing and selling of USB and USB power delivery controllers for multi-functional devices and platforms. As of December 31, 2024, VIA Technologies, Inc. owned 55.67% of VLI’s equity interest and the paid-in capital of VLI was \$697,260 thousand.

VLI’s shares were listed on the Emerging Stock Board of the Taipei Exchange in December 2019. In addition, VLI’s listing application was approved by the Taiwan Stock Exchange Review Committee and reported to the Financial Supervisory Commission for approval in September 2020. VLI’s shares were listed on the Taiwan Stock Exchange in December 2020.

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

### 2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on March 11, 2025.

### 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 IFRS Accounting Standards endorsed and issued into effect by the FSC did not have a material impact on the Group’s accounting policies.

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2025

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note 1)
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” - the amendments to the application guidance of classification of financial assets	January 1, 2026 (Note 2)

Note 1: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments to IAS 21, the Group shall not restate the comparative information and shall recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or, if applicable, to the cumulative amount of translation differences in equity as well as affected assets or liabilities.

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2026. It is permitted to apply these amendments for an earlier period beginning on January 1, 2025. An entity shall apply the amendments retrospectively but is not required to restate prior periods. The effect of initially applying the amendments shall be recognized as an adjustment to the opening balance at the date of initial application. An entity may restate prior periods if, and only if, it is possible to do so without the use of hindsight.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing impacts of the above amended standards and interpretations on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

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

<b>New, Amended and Revised Standards and Interpretations</b>	<b>Effective Date Announced by IASB (Note)</b>
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" - the amendments to the application guidance of derecognition of financial liabilities	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"	January 1, 2026
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 17 and IFRS 9 - Comparative Information"	January 1, 2023
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	January 1, 2027

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

#### IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 will supersede IAS 1 "Presentation of Financial Statements". The main changes comprise:

- 1) Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discontinued operations categories.
- 2) The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.

- 3) Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as “other” only if it cannot find a more informative label.
- 4) Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

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

#### **4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION**

##### **Statement of Compliance**

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

##### **Basis of Preparation**

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

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, 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 an 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 an asset or liability.

##### **Classification of Current and Non-current Assets and Liabilities**

Current assets include:

- a. Assets held primarily for the purpose of trading;
- b. Assets expected to be realized within twelve months after the reporting period; and

- c. Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- a. Liabilities held primarily for the purpose of trading;
- b. Liabilities due to be settled within 12 months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; and
- c. Liabilities for which the Group does not have the substantial right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

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

### **Basis of Consolidation**

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

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

See Note 12, Tables 4 and 5 for the detailed information of subsidiaries (including the percentage of ownership and main business).

### **Foreign Currencies**

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

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

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

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

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

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

## **Inventories**

Inventories consist of raw materials, supplies, finished goods and work-in-process and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The 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.

## **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.

Property, plant and equipment in the course of construction are measured at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Samples produced when testing whether an item of property, plant and equipment is functioning properly before that asset reaches its intended use are measured at the lower of cost or net realizable value, and any proceeds from selling those samples and the cost of those samples are recognized in profit or loss. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

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

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

## **Intangible Assets**

### Intangible assets acquired separately

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

### Derecognition of intangible assets

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

### **Impairment of Property, Plant and Equipment, Right-of-use Assets and Intangible Assets**

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are allocated to 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 asset 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 on the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

### **Impairment of Property, Plant and Equipment, Right-of-use Asset and Intangible Assets**

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

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

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

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

## **Financial Instruments**

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

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

### **a. Financial assets**

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

#### **1) Measurement categories**

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

##### **a) Financial assets at FVTPL**

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

Financial assets at FVTPL are subsequently measured at fair value, and any dividends or interest earned on such financial assets are recognized in other income and interest income, respectively; any remeasurement gains or losses on such financial assets are recognized in other gains or losses. Fair value is determined in the manner described in Note 29.

##### **b) Financial assets at amortized cost**

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

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

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

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

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

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

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

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

#### c) Investments in equity instruments at FVTOCI

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

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

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



## 2) Impairment of financial assets

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

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

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

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

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

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

## 3) Derecognition of financial assets

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

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

### b. Equity instruments

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

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

The repurchase of the Company's own equity instruments is recognized in and deducted directly from equity, and its carrying amounts are calculated based on weighted average by share types and calculated separately by repurchase category. 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

All financial liabilities are measured at amortized cost using the effective interest method.

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.

**Provisions**

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

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

**Revenue Recognition**

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

a. Revenue from the sale of goods

Revenue from the sale of goods comes from sales of USB and USB power delivery controllers for multi-functional devices and platforms. 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, primary responsibility for reselling, and obsolescence risk of the goods.

b. Revenue from the rendering of services

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

**Leasing**

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

The Group as lessee

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

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

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

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

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. For a lease modification that is not accounted for as a separate lease, the Group 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 consolidated balance sheets.

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 in which 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 Group's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

## **Share-based Payment Arrangements**

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

At the end of each reporting period, the Group revises its estimate of the number of equity instruments that are expected to vest. The impact of the revision of the original estimate 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 the 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 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 interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

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

c. Current tax and deferred tax for the year

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

## 5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

### Key Sources of Estimation Uncertainty - Write-down of Inventory

The 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 with product sales of a similar nature. Changes in market conditions may have a material impact on the estimation of net realizable value.

## 6. CASH AND CASH EQUIVALENTS

	December 31	
	2024	2023
Cash on hand	\$ 292	\$ 260
Checking accounts and demand deposits	692,419	593,485
Cash equivalents:		
Time deposits	394,748	695,640
Repurchase agreements collateralized by bonds	<u>130,000</u>	<u>100,000</u>
	<u>\$ 1,217,459</u>	<u>\$ 1,389,385</u>

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

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Time deposits	1.50%-4.93%	1.25%-5.80%
Repurchase agreements collateralized by bonds	1.50%	1.30%

## 7. FINANCIAL ASSETS AT FVTPL

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
<u>Financial assets at FVTPL - non-current</u>		
Investments in equity instruments at FVTPL		
Overseas unlisted shares	\$ 103,346	\$ 60,113
Domestic private placement convertible bonds	<u>138,149</u>	<u>117,800</u>
	<u>\$ 241,495</u>	<u>\$ 177,913</u>

## 8. FINANCIAL ASSETS AT FVTOCI

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
<u>Non-current</u>		
Investments in equity instruments at FVTOCI		
Overseas unlisted shares	\$ -	\$ -
Overseas unlisted equity investments	<u>959,939</u>	<u>778,038</u>
	<u>\$ 959,939</u>	<u>\$ 778,038</u>

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

In accordance with the Q&A issued by the FSC, for the investments in the limited partnership held before June 30, 2023 in which the investment contract stipulates that the limited partnership has a limited duration and whether the duration can be extended is subject to the resolution of partners in the partners' meeting, the Group elected not to retrospectively apply the Q&A "Classification of Investments in a Limited Partnership" issued by the Accounting Research and Development Foundation (ARDF), and therefore the abovementioned investments are still classified as investments in equity instruments at FVTOCI.

## 9. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2024	2023
<u>Current</u>		
Time deposits with original maturities of more than 3 months	\$ 430,000	\$ 310,000
<u>Non-current</u>		
Corporate bonds	\$ 262,464	\$ -

As of December 31, 2024 and 2023, the interest rates of time deposits with original maturities of more than 3 months was ranging from 1.54% to 1.60% and 1.35% to 1.38%.

As of December 31, 2024, the Group held a repurchase agreement with corporate bonds measured at amortized cost, with a face value of NT\$260,000 thousand. The coupon rate and effective interest rate were 3.70% and 3.58%, respectively.

The Group invests only in debt instruments that are rated the equivalent of investment grade or higher and have low credit risk for the purpose of impairment assessment. The credit rating information is supplied by independent rating agencies. The Group's exposure and the external credit ratings are continuously monitored. The Group reviews changes in bond yields and other publicly available information and makes an assessment whether there has been a significant increase in credit risk since initial recognition. As of December 31, 2024, the Group has assessed that there are no expected credit losses for the aforementioned debt instruments.

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

	December 31	
	2024	2023
<u>At amortized cost</u>		
Accounts receivable		
Accounts receivable	\$ 184,758	\$ 209,124
Accounts receivable - related parties	256	494
Less: Allowance for impairment loss	(6,978)	(6,978)
	\$ 178,036	\$ 202,640
Other receivables		
Interest receivable	\$ 8,638	\$ 3,611

### Receivables

The average credit period of sales of goods is 30 to 90 days. In determining the recoverability of receivables, the Group considers any changes in the credit quality of the receivable from the date the credit was initially granted to the end of the reporting period. The Group adopted a policy of only dealing with entities that have good credit rating and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. Credit rating information is obtained from publicly available financial information or the Group's own trading records to rate its major customers. The Group's

exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

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

The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provision for all trade receivables. The expected credit losses on accounts receivable 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 forecasted direction of economic conditions at the reporting date. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

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

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

December 31, 2024

	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	\$ 185,014	\$ -	\$ -	\$ -	\$ 185,014
Loss allowance (lifetime ECLs)	<u>(6,978)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,978)</u>
Amortized cost	<u>\$ 178,036</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 178,036</u>

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	\$ 209,618	\$ -	\$ -	\$ -	\$ 209,618
Loss allowance (lifetime ECLs)	<u>(6,978)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,978)</u>
Amortized cost	<u>\$ 202,640</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 202,640</u>

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



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

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Balance, beginning and end of year	\$ <u>6,978</u>	\$ <u>6,978</u>

## 11. INVENTORIES

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Finished goods	\$ 82,515	\$ 99,612
Work-in-process	12,258	212,977
Raw materials	<u>38,980</u>	<u>782</u>
	<u>\$ 133,753</u>	<u>\$ 313,371</u>

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2024 were \$105,681 thousand due to write-downs were reversed of inventories and \$2,796 thousand due to obsolescence of inventories, respectively.

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2023 were \$99,850 thousand due to devaluation of inventories and \$8,945 thousand due to obsolescence of inventories, respectively.

## 12. SUBSIDIARIES

### a. Subsidiaries included in consolidated financial statements

The consolidated entities as of December 31, 2024 and 2023 were as follows:

Investor	Investee	Main Businesses	% of Ownership		Remark
			December 31		
			2024	2023	
VIA Labs, Inc.	VIA Labs USA, Inc.	Contract testing and sales marketing support	100.00	100.00	
VIA Labs, Inc.	VIA Labs (Shenzhen) Co., Ltd.	Integrated circuits chip testing and technical support	100.00	100.00	
VIA Labs, Inc.	VIA Labs (Beijing), Inc.	Integrated circuits chip testing and technical support	99.00	99.00	
VIA Labs, Inc.	HuiLink Technologies (Xiamen) Co., Ltd.	Integrated circuits chip testing and technical support	55.00	-	Note
VIA Labs (Shenzhen) Co., Ltd.	VIA Labs (Beijing), Inc.	Integrated circuits chip testing and technical support	1.00	1.00	

Note: VIA Labs, Inc. and VIA Technologies (Shenzhen) Co., Ltd. invested RMB20,350 thousand and RMB16,650 thousand, respectively, in March 2024, and established HuiLink Technologies (Xiamen) Co., Ltd. with a 55% and 45% shareholding, respectively.

The financial statements of above subsidiaries have been audited and significant transactions between and among the companies have been eliminated in the consolidated financial statements.

b. Subsidiaries excluded from consolidated financial statements: None.

c. Details of subsidiaries that have material non-controlling interests: None.

### 13. PROPERTY, PLANT AND EQUIPMENT

	<b>December 31</b>				
	<b>2024</b>			<b>2023</b>	
Carrying amount					
Instrument equipment	\$ 62,067			\$ 84,886	
Computer equipment	5,515			9,891	
Others	35,812			18,604	
Leasehold improvements	<u>3,198</u>			<u>2,408</u>	
	<u>\$ 106,592</u>			<u>\$ 115,789</u>	
	<b>Instrument Equipment</b>	<b>Computer Equipment</b>	<b>Others</b>	<b>Leasehold Improve-ments</b>	<b>Total</b>
<u>Cost</u>					
Balance at January 1, 2024	\$ 208,585	\$ 36,052	\$ 86,234	\$ 8,865	\$ 339,736
Additions	8,021	1,089	54,998	2,820	66,928
Disposals	-	(4)	-	-	(4)
Effect of foreign currency exchange difference	<u>1</u>	<u>24</u>	<u>-</u>	<u>-</u>	<u>25</u>
Balance at December 31, 2024	<u>216,607</u>	<u>37,161</u>	<u>141,232</u>	<u>11,685</u>	<u>406,685</u>
<u>Accumulated depreciation and impairment</u>					
Balance at January 1, 2024	123,699	26,161	67,630	6,457	223,947
Depreciation expenses	30,839	5,477	37,788	2,028	76,132
Disposals	-	-	-	-	-
Effect of foreign currency exchange difference	<u>2</u>	<u>8</u>	<u>2</u>	<u>2</u>	<u>14</u>
Balance at December 31, 2024	<u>154,540</u>	<u>31,646</u>	<u>105,420</u>	<u>8,487</u>	<u>300,093</u>
Carrying amount at December 31, 2024	<u>\$ 62,067</u>	<u>\$ 5,515</u>	<u>\$ 35,812</u>	<u>\$ 3,198</u>	<u>\$ 106,592</u>
<u>Cost</u>					
Balance at January 1, 2023	\$ 142,193	\$ 32,947	\$ 56,540	\$ 7,524	\$ 239,204
Additions	68,868	3,112	29,694	1,341	103,015
Disposals	(2,476)	-	-	-	(2,476)
Effect of foreign currency exchange difference	<u>-</u>	<u>(7)</u>	<u>-</u>	<u>-</u>	<u>(7)</u>
Balance at December 31, 2023	<u>208,585</u>	<u>36,052</u>	<u>86,234</u>	<u>8,865</u>	<u>339,736</u>
<u>Accumulated depreciation and impairment</u>					
Balance at January 1, 2023	97,159	18,415	37,853	4,949	158,376
Depreciation expenses	29,017	7,745	29,777	1,508	68,047
Disposals	(2,476)	-	-	-	(2,476)
Effect of foreign currency exchange difference	<u>(1)</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance at December 31, 2023	<u>123,699</u>	<u>26,161</u>	<u>67,630</u>	<u>6,457</u>	<u>223,947</u>
Carrying amount at December 31, 2023	<u>\$ 84,886</u>	<u>\$ 9,891</u>	<u>\$ 18,604</u>	<u>\$ 2,408</u>	<u>\$ 115,789</u>

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

Instrument equipment	3 years
Computer equipment	3 years
Others	2-5 years
Leasehold improvements	3-4 years

- b. There were no capitalized interests for the years ended December 31, 2024 and 2023.

#### 14. LEASE ARRANGEMENTS

- a. Right-of-use assets

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
<u>Carrying amount</u>		
Buildings	<u>\$ 29,222</u>	<u>\$ 43,441</u>
	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Additions to right-of-use assets	<u>\$ 2,273</u>	<u>\$ 43,653</u>
Depreciation charge for right-of-use assets		
Buildings	<u>\$ 14,116</u>	<u>\$ 13,532</u>

Except for the addition and depreciation expense listed above, there was no significant sublease or impairment of the right-of-use assets in 2024 and 2023.

- b. Lease liabilities

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
<u>Carrying amount</u>		
Current	<u>\$ 14,430</u>	<u>\$ 15,284</u>
Non-current	<u>\$ 15,087</u>	<u>\$ 29,482</u>

Range of discount rate for lease liabilities was as follows:

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Buildings	1.60%-4.00%	1.60%-8.00%

c. Material leasing activities and terms

The Group leases certain buildings for use as offices with lease terms of 2 to 5 years. The Group does not have bargain purchase options to acquire the leasehold buildings at the end of the lease terms. In addition, the Group is prohibited from subleasing or transferring all or any portion of the underlying assets without the lessor's consent.

d. Other lease information

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Expenses relating to short-term leases	<u>\$ 1,053</u>	<u>\$ 1,355</u>
Total cash outflow for leases	<u>\$ 16,777</u>	<u>\$ 15,237</u>

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

## 15. INTANGIBLE ASSETS

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Carrying amount		
Computer software	<u>\$ 115,595</u>	<u>\$ 127,988</u>

Movements of intangible assets for the years ended December 31, 2024 and 2023 were as follows:

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
<u>Cost</u>		
Balance, beginning of year	\$ 330,633	\$ 190,903
Acquisition	81,490	139,852
Decrease	(552)	-
Effect of foreign currency exchange differences	<u>360</u>	<u>(122)</u>
Balance, end of year	<u>\$ 411,931</u>	<u>\$ 330,633</u>
<u>Accumulated amortization and impairment</u>		
Balance, beginning of year	\$ (202,645)	\$ (144,435)
Amortization	(93,961)	(58,303)
Decrease	552	-
Effect of foreign currency exchange differences	<u>(282)</u>	<u>93</u>
Balance, end of year	<u>\$ (296,336)</u>	<u>\$ (202,645)</u>
Carrying amount, end of year	<u>\$ 115,595</u>	<u>\$ 127,988</u>

The above item of intangible assets are amortized on a straight-line basis over the estimated useful life as follows:

Computer software	2-5 years
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## 16. OTHER ASSETS

	December 31	
	2024	2023
Prepaid expense	\$ 8,348	\$ 9,135
Temporary payment	120	165
Value-added tax receivable	1,479	1,429
Overpaid sales tax	559	-
Other financial assets - non-current	1,000	37,846
Prepayments for equipment	-	187
Refundable deposits	<u>224</u>	<u>1</u>
	<u>\$ 11,730</u>	<u>\$ 48,763</u>
Current	\$ 10,506	\$ 10,729
Non-current	<u>1,224</u>	<u>38,034</u>
	<u>\$ 11,730</u>	<u>\$ 48,763</u>

The market interest rates of the above other financial assets ranged are 1.69% and 1.57% to 5.00% as of December 31, 2024 and 2023, respectively.

The Group pledged other financial assets as a guarantee for customs duties on imported raw materials, refer to Note 31.

## 17. SHORT-TERM BILLS PAYABLE

	December 31	
	2024	2023
Repurchase agreements collateralized by bonds	<u>\$ 209,993</u>	<u>\$ -</u>

The interest rates and maturity dates of the repurchase agreements collateralized by bonds of the Group were as follows:

	December 31	
	2024	2023
Repurchase agreements collateralized by bonds	<u>\$ 211,007</u>	<u>\$ -</u>
Repurchase agreements collateralized by bonds	2.17%-2.18%	-

The Group agreed to repurchase bond liabilities, including interest, for \$105,500 thousand on January 22, 2025, and \$105,507 thousand on March 12, 2025.

## 18. NOTES AND ACCOUNTS PAYABLE (INCLUDED RELATED PARTIES)

	December 31	
	2024	2023
Notes payable	\$ 48	\$ 11
Accounts payable	69,106	140,050
Accounts payable - related parties	<u>8,076</u>	<u>11,604</u>
	<u>\$ 77,230</u>	<u>\$ 151,665</u>

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

## 19. OTHER LIABILITIES

	December 31	
	2024	2023
<u>Current</u>		
Other payables		
Salaries and bonuses	\$ 311,213	\$ 248,080
Purchase of intangible assets	88,866	91,610
Advertisement	63,174	37,631
Employees' compensation (Note 23)	17,756	38,666
Professional fees	5,513	7,290
Research and development	4,248	7,578
Insurance	4,099	4,353
Pensions	3,802	3,728
Remuneration of directors (Note 23)	2,354	2,354
Payables for purchases of equipment	1,345	544
Others	<u>6,639</u>	<u>3,459</u>
	<u>\$ 509,009</u>	<u>\$ 445,293</u>
Other liabilities		
Advance receipts	\$ 1,066	\$ 9,642
Receipts under custody	<u>12,236</u>	<u>5,333</u>
	<u>\$ 13,302</u>	<u>\$ 14,975</u>

## 20. PROVISIONS

	December 31	
	2024	2023
<u>Current</u>		
Provisions for allowances and warranty	<u>\$ 7,377</u>	<u>\$ 8,538</u>

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Balance, beginning of year	\$ 8,538	\$ 4,718
Additional provisions recognized	-	3,820
Amount used or reversal of unused balance	<u>(1,161)</u>	<u>-</u>
Balance, end of year	<u>\$ 7,377</u>	<u>\$ 8,538</u>

## 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, VLI makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages. Besides, the employees of non-Taiwan subsidiaries are members of a state-managed retirement benefit plan operated by local government. The subsidiary is required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

The total expenses recognized in the consolidated statements of comprehensive income were \$16,847 thousand and \$16,367 thousand, representing the contributions to these plans by the Group at the rates specified in the plans for the years ended December 31, 2024 and 2023, respectively. As of December 31, 2024 and 2023, the amounts of contributions unpaid were \$3,802 thousand and \$3,728 thousand, respectively.

### Defined Benefit Plans

Some employees in the Company are foreigners or transferred from VIA Technology Co., Ltd. The defined benefit plans adopted by the Company in accordance with the Labor Standards Act (LSA) is operated by the government of the ROC. Based on the defined benefit plan under the LSA, pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement.

The amounts included in the consolidated balance sheets in respect of the obligation of VLI under the defined benefit plans were as follows:

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Present value of defined benefit obligation	\$ (4,961)	\$ (3,437)
Fair value of plan assets	<u>411</u>	<u>300</u>
Deficit	<u>(4,550)</u>	<u>(3,137)</u>
Asset ceiling	<u>-</u>	<u>-</u>
Net defined benefit liabilities	<u>\$ (4,550)</u>	<u>\$ (3,137)</u>
Defined benefit liabilities	<u>\$ 4,550</u>	<u>\$ 3,137</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, 2023	\$ (3,151)	\$ 213	\$ (2,938)
Service cost			
Current service cost	(89)	-	(89)
Net interest (expense) interest	(55)	4	(51)
Recognized in profit or loss	(144)	4	(140)
Remeasurement			
Return on plan assets	-	1	1
Actuarial loss - experience adjustments	(57)	-	(57)
Actuarial loss - changes in financial assumptions	(85)	-	(85)
Recognized in other comprehensive income	(142)	1	(141)
Contributions from the employer	-	82	82
Balance at December 31, 2023	(3,437)	300	(3,137)
Service cost			
Current service cost	(94)	-	(94)
Net interest (expense) interest	(47)	4	(43)
Recognized in profit or loss	(141)	4	(137)
Remeasurement			
Return on plan assets	-	24	24
Actuarial loss - experience adjustments	(1,617)	-	(1,617)
Actuarial gain - changes in financial assumptions	234	-	234
Recognized in other comprehensive income	(1,383)	24	(1,359)
Contributions from the employer	-	83	83
Balance at December 31, 2024	\$ (4,961)	\$ 411	\$ (4,550)

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	
	2024	2023
<u>Summary of functions</u>		
Operating costs	\$ -	\$ -
Selling and marketing expenses	-	-
General and administrative expenses	-	-
Research and development expenses	137	140
	<u>\$ 137</u>	<u>\$ 140</u>

Through the defined benefit plans under the LSL, the Group is exposed to the following risks:

- Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation.



- b. Salary risk: The present value of the defined benefit obligation is calculated using the future salaries of plan participants. As such, an increase in the salaries 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:

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Discount rates	1.625%	1.375%
Expected rates of salary increase	4.500%	4.500%

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:

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Discount rates		
0.25% increase	\$ (221)	\$ (156)
0.25% decrease	\$ 234	\$ 166
Expected rates of salary increase		
0.25% increase	\$ 225	\$ 159
0.25% decrease	\$ (214)	\$ (151)

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.

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Expected contributions to the plan for the next year	\$ 63	\$ 39
Average duration of the defined benefit obligation	17.7 years	17.6 years

## 22. EQUITY

### Share Capital

#### Ordinary shares

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Shares authorized (in thousands)	100,000	100,000
Shares authorized, par value of \$10	\$ 1,000,000	\$ 1,000,000
Shares issued and fully paid (in thousands)	69,726	69,074
Shares issued and fully paid	\$ 697,260	\$ 690,740
Advance receipts for share capital	\$ 882	\$ 5,191

As of December 31, 2024 and 2023, employees exercised 51 thousand and 297 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 addition, the Company's employees exercised 335 thousand units and 315 thousand units of share options along with advance receipts for share capital as of December 31, 2023 and 2022 have been registered. As of December 31, 2024 and 2023, the balance of issued and fully paid shares amounted to \$697,260 thousand and \$690,740 thousand, respectively.

### Capital Surplus

	December 31	
	2024	2023
Issuance of ordinary shares	\$ 1,578,821	\$ 1,571,977
Employee share options (Note 26)	<u>2,648</u>	<u>4,291</u>
	<u>\$ 1,581,469</u>	<u>\$ 1,576,268</u>

Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and to once a year).

Such capital surplus arises from the effects of changes in ownership interests in subsidiaries resulting from equity transactions other than actual disposals or acquisitions or from changes in capital surplus of subsidiaries accounted for using the equity method.

### Retained Earnings and Dividend Policy

Under the dividends policy as set forth in the amended Articles, if the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan. The board of directors is authorized to adopt a special resolution (more than two-thirds of the directors of the board are present, and more than half of the directors present agree) to distribute dividends and bonuses in cash and a report of such distribution should be submitted in the shareholders' meeting. According to Company Act, distribution of earnings by the issuance of shares should be approved by the shareholders in their meetings. For the policies on the distribution of employees' compensation and remuneration of directors, refer to employees' compensation and remuneration of directors in Note 23-7.

In consideration of the whole environment around the Company, the characteristics of industry development, the interests of shareholders, the capital expenditure budget, and the long-term financial goals, the Company would distribute unless than 10% of unappropriated earnings as cash and share dividends, and the sum of cash dividends should be less than 10% of total dividends.

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.

The appropriation of earnings for 2023 and 2022 were as follows:

	<b>Appropriation of Earnings</b>		<b>Cash Dividends per share (NT\$)</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Legal reserve	\$ 18,043	\$ 72,377	\$ -	\$ -
Special reserve	1,237	5,419	-	-
Cash dividends	138,984	516,735	2.00	7.50

The above appropriation for cash dividends was resolved by the Company's board of directors on March 6, 2024 and March 9, 2023, which were released on May 22, 2024 and May 17, 2023, respectively. The rest proposed appropriations will be resolved by the shareholders in their meeting to be held on June 20, 2024 and June 16, 2023, respectively.

The appropriation of earning for 2024 resolved by the Company's board of directors on March 11, 2025, were as follows:

	<b>Appropriation of Earnings</b>	<b>Cash Dividends per share (NT\$)</b>
Legal reserve	\$ 15,611	\$ -
Special reserve	46,592	-
Cash dividends	125,732	1.80

The above appropriation for cash dividends has been resolved by the Company's board of directors, another will be resolved at the general meeting of shareholders be held on June 20, 2025.

## Other Equity

### Exchange differences on translating foreign operations

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Balance, beginning of year	\$ 105	\$ 369
Recognized for the year		
Exchange differences arising on translating the foreign operations	<u>5,170</u>	<u>(264)</u>
Balance, end of year	<u>\$ 5,275</u>	<u>\$ 105</u>

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

### Unrealized loss on financial assets at FVTOCI

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Balance, beginning of year	\$ (28,866)	\$ (27,997)
Recognized for the year		
Unrealized loss - equity instruments	(72,050)	(869)
Income tax effect	<u>20,183</u>	<u>-</u>
Balance, end of year	<u>\$ (80,733)</u>	<u>\$ (28,866)</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.

### **Non-controlling Interests**

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Balance, beginning of year	\$ -	\$ -
Share in loss for the year	(5,013)	-
Other comprehensive income/(loss) during the year		
Exchange differences on translating the financial statements of foreign entities	2,954	-
Partial disposal of interests in the subsidiary without a loss of control	<u>72,927</u>	<u>-</u>
Balance, end of year	<u>\$ 70,868</u>	<u>\$ -</u>

## **23. NET PROFIT FROM CONTINUING OPERATIONS**

### a. Interest income

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Interest income		
Bank deposits	\$ 31,108	\$ 32,772
Repurchase agreements collateralized by bonds	1,607	1,262
Corporate bonds	<u>5,796</u>	<u>-</u>
	<u>\$ 38,511</u>	<u>\$ 34,034</u>

### b. Other income

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Dividend income	<u>\$ 20,020</u>	<u>\$ -</u>

c. Other gains and losses

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Gain on financial assets		
Financial assets at FVTPL	\$ 63,582	\$ 15,061
Net foreign exchange gains	35,937	4,495
Gain on lease modification	67	-
Others	<u>10,575</u>	<u>4,267</u>
	<u>\$ 110,161</u>	<u>\$ 23,823</u>

d. Finance costs

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Interest on repurchase agreements collateralized by bonds	\$ 2,758	\$ -
Interest on lease liabilities	<u>645</u>	<u>175</u>
	<u>\$ 3,403</u>	<u>\$ 175</u>

e. Depreciation and amortization

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Property, plant and equipment	\$ 76,132	\$ 68,047
Right-of-use assets	14,116	13,532
Intangible assets	<u>93,961</u>	<u>58,303</u>
	<u>\$ 184,209</u>	<u>\$ 139,882</u>
An analysis of depreciation by function		
Operating costs	\$ 570	\$ 896
Operating expenses	<u>89,678</u>	<u>80,683</u>
	<u>\$ 90,248</u>	<u>\$ 81,579</u>
An analysis of amortization by function		
Operating costs	\$ -	\$ 80
Operating expenses	<u>93,961</u>	<u>58,223</u>
	<u>\$ 93,961</u>	<u>\$ 58,303</u>

f. Employee benefits expense

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Short-term benefits	\$ 499,152	\$ 474,118
Post-employment benefits		
Defined contribution plans	16,847	16,367
Defined benefit plans (Note 21)	137	140
	<u>16,984</u>	<u>16,507</u>
Share-based payment (Note 26)	<u>354</u>	<u>550</u>
Total employee benefits expense	<u>\$ 516,490</u>	<u>\$ 491,175</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 14,311	\$ 14,429
Operating expenses	<u>502,179</u>	<u>476,746</u>
	<u>\$ 516,490</u>	<u>\$ 491,175</u>

g. Employees' compensation and remuneration of directors

According to the Company's Articles, the Company accrues employees' compensation and remuneration of directors at rates of no less than 5% and no higher than 1%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors. The employees' compensation and the remuneration of directors for the years ended December 31, 2024 and 2023, which were approved by the Company's board of directors on March 11, 2025 and March 6, 2024, respectively, are as follows:

Accrual rate

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Employees' compensation	8.64%	8.57%
Remuneration of directors	0.44%	0.39%

Amount

	<b>For the Year Ended December 31</b>			
	<b>2024</b>		<b>2023</b>	
	<b>Cash</b>	<b>Shares</b>	<b>Cash</b>	<b>Shares</b>
Employees' compensation	\$ 17,500	\$ -	\$ 20,000	\$ -
Remuneration of directors	900	-	900	-

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

There was no difference between the amounts of the employees' compensation and the remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2023 and 2022.

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

- h. Reversal (write-down)of and obsolescence of inventories

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Reversal (write-down)of and obsolescence of inventories	<u>\$ 102,885</u>	<u>\$ (108,795)</u>

## 24. INCOME TAXES RELATING TO CONTINUING OPERATIONS

- a. Income tax recognized in profit or loss

The major components of tax expense were as follows:

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Current tax		
In respect of the current year	\$ (2,548)	\$ (54,089)
Adjustments for prior years	5,330	861
Deferred tax		
In respect of the current year	<u>(30,471)</u>	<u>19,970</u>
Income tax expense recognized in profit or loss	<u>\$ (27,689)</u>	<u>\$ (33,258)</u>

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

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Profit before tax from continuing operations	<u>\$ 179,924</u>	<u>\$ 213,827</u>
Income tax expense calculated at the statutory rate (20%)	\$ (35,985)	\$ (42,765)
Tax-exempt income	4,070	2,420
Unrealized deductible temporary differences and loss carryforward	(1,651)	(5,132)
Investment credits	740	12,000
Adjustments for prior years' tax	5,330	861
Effect of different tax rates of subsidiaries operating in other jurisdictions	<u>(193)</u>	<u>(642)</u>
Income tax expense recognized in profit or loss	<u>\$ (27,689)</u>	<u>\$ (33,258)</u>

- b. Income tax recognized in other comprehensive income

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Deferred tax		
Remeasurement of defined benefit plans	\$ 218	\$ -
Unrealized gain or loss on investments in equity instruments at fair value through other comprehensive income	<u>20,183</u>	<u>-</u>
	<u>\$ 20,401</u>	<u>\$ -</u>

c. Current tax assets and liabilities

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Current tax liabilities		
Income tax payable	<u>\$ 24,304</u>	<u>\$ 81,700</u>

d. Deferred tax assets and liabilities

The movements of deferred tax assets and liabilities were as follows:

For the year ended December 31, 2024

	<b>Opening Balance</b>	<b>Recognized in Profit or Loss</b>	<b>Recognized in Other Comprehensive Income</b>	<b>Closing Balance</b>
<u>Deferred tax assets</u>				
Temporary differences				
Unrealized gain on reversal of inventories provision for the decline in inventory value	\$ 94,024	\$ (21,137)	\$ -	\$ 72,887
Defined benefit plan	-	-	218	218
Financial assets at FVTOCI	<u>-</u>	<u>-</u>	<u>20,183</u>	<u>20,183</u>
	<u>\$ 94,024</u>	<u>\$ (21,137)</u>	<u>\$ 20,401</u>	<u>\$ 93,288</u>

Deferred tax liabilities

Temporary differences				
FVTPL financial assets	<u>\$ -</u>	<u>\$ 9,334</u>	<u>\$ -</u>	<u>\$ 9,334</u>

For the year ended December 31, 2023

	<b>Opening Balance</b>	<b>Recognized in Profit or Loss</b>	<b>Recognized in Other Comprehensive Income</b>	<b>Closing Balance</b>
<u>Deferred tax assets</u>				
Temporary differences				
Unrealized provision for the decline in inventory value	<u>\$ 74,054</u>	<u>\$ 19,970</u>	<u>\$ -</u>	<u>\$ 94,024</u>

e. Income tax assessments

The Company and its subsidiaries tax returns through 2022 have been assessed and approved by the tax authorities.



## 25. EARNINGS PER SHARE

Unit: NT\$ Per Share

	For the Year Ended December 31	
	2024	2023
Basic earnings per share	\$ 2.26	\$ 2.62
Diluted earnings per share	\$ 2.23	\$ 2.57

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

### Net Profit for the Year

	For the Year Ended December 31	
	2024	2023
Profit for the year attributable to owners of the Company	\$ 157,248	\$ 180,569

### Shares

Unit: In Thousands of Shares

	For the Year Ended December 31	
	2024	2023
Weighted average number of ordinary shares used in the computation of basic earnings per share	69,616	69,021
Effect of potentially dilutive ordinary shares		
Employees' compensation or bonuses issued to employees	151	137
Employee share options	<u>610</u>	<u>986</u>
Weighted average number of ordinary shares used in computation of diluted earnings per share	<u>70,377</u>	<u>70,144</u>

## 26. SHARE-BASED PAYMENT ARRANGEMENTS

### Employee Share Option Plan of the Company

Qualified employees of the Company were granted 3,000 thousand options on December 4, 2019. Each option entitles the holder to subscribe for one ordinary shares of the Company. The options granted are valid for 10 years and exercisable at certain percentages after the second anniversary from the grant date.

Years from the Grant Date	Accumulated Subscription Percentage
2	50%
3	75%
4	100%

The options were granted at an exercise price of NT\$20 per unit. For any subsequent changes in the Company's capital, the exercise price is adjusted accordingly.

Information on employee share options in 2024 and 2023 was as follows:

	For the Year Ended December 31			
	2024		2023	
	Number of Options (In Thousands)	Weighted- average Exercise Price (NT\$)	Number of Options (In Thousands)	Weighted- average Exercise Price (NT\$)
Balance, beginning of year	1,077	\$ 17.48	1,731	\$ 18.13
Options exercised	(406)	17.38	(612)	17.74
Options expired	-	-	(42)	17.48
Balance, end of year	<u>671</u>	17.30	<u>1,077</u>	17.48
Options exercisable, end of year	<u>671</u>	17.30	<u>1,077</u>	17.48

Note: The exercise price of employee share options was NT\$20 on the grant date in 2019. The adjustment of exercise price was due to the cash dividends distribution in 2023, 2022 and 2021, and 2020, respectively, and the issuance of ordinary shares for cash in 2020. As of December 31, 2024, the exercise price was NT\$17.30.

Information on outstanding options was as follows:

	December 31	
	2024	2023
Range of exercise price (NT\$)	\$17.30	\$17.48
Weighted-average remaining contractual life (in years)	4.92 years	5.92 years

Options granted were priced using the Black-Scholes option pricing model, and the inputs to the model were as follows:

	December 2019
Grant-date share price (NT\$)	\$13.69
Exercise price (NT\$)	\$20.00
Expected volatility	37.32%-37.66%
Expected life (in years)	4.5-5.5 years
Risk-free interest rate	0.58%-0.60%

The information on expected volatility of the aforementioned options was based on expected life and the average of annual standard deviation of returns in similar company.

The Group recognized on the costs of employee share option plan were \$354 thousand and \$550 thousand for the years ended December 31, 2024 and 2023, respectively.

## 27. NON-CASH TRANSACTIONS

The Group has payable for acquisition of property, plant and equipment in the amounts of \$1,345 thousand and \$544 thousand were not yet paid as of December 31, 2024 and 2023, respectively. In addition, the Group has payable for acquisition of intangible assets - computer software in the amounts of \$88,866 thousand and \$91,610 thousand were not yet paid as of December 31, 2024 and 2023, respectively.

## 28. CAPITAL MANAGEMENT

The Group manages its capital to ensure the entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders by optimizing the debt and equity balance. The Group's overall strategy remains unchanged from 2023.

The capital structure of the Group consists of net liabilities (borrowings offset by cash and cash equivalents) and the equity attributable to the owners of the Company (comprising issued capital, capital surplus, retained earnings and other equity).

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

## 29. FINANCIAL INSTRUMENTS

### Fair Value of Financial Instruments

#### a. Financial instruments not measured at fair value

The management considers that, with the exception of the following, the carrying amounts of financial assets and financial liabilities not measured at fair value were approximate amounts of their fair value. The fair value is not disclosed.

December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at amortized cost - non-current				
Corporate bonds	\$ -	\$ 262,755	\$ -	\$ 262,755

#### b. Fair value measurements recognized in the consolidated balance sheets

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

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Overseas unlisted shares - equity investments	\$ -	\$ -	\$ 103,346	\$ 103,346
Domestic private placement convertible bonds	-	-	138,149	138,149
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 241,495</u>	<u>\$ 241,495</u>
Financial assets at FVTOCI				
Overseas unlisted shares - equity investments	\$ -	\$ -	\$ -	\$ -
Overseas unlisted equity investments	-	-	959,939	959,939
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 959,939</u>	<u>\$ 959,939</u>

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Overseas unlisted shares - equity investments	\$ -	\$ -	\$ 60,113	\$ 60,113
Domestic private placement convertible bonds	-	-	117,800	117,800
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 177,913</u>	<u>\$ 177,913</u>
Financial assets at FVTOCI				
Overseas unlisted shares - equity investments	\$ -	\$ -	\$ -	\$ -
Overseas unlisted equity investments	-	-	778,038	778,038
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 778,038</u>	<u>\$ 778,038</u>

There were no transfers between Levels 1 and 2 for the years ended December 31, 2024 and 2023.

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

For the year ended December 31, 2024

	Financial Assets at FVTPL	Financial Assets at FVTOCI
Balance, beginning of year	\$ 177,913	\$ 778,038
Addition	-	253,951
Recognized in other gains and losses	63,582	-
Recognized in other comprehensive income (unrealized loss on equity instruments at FVTOCI)	-	(72,050)
Balance, end of year	<u>\$ 241,495</u>	<u>\$ 959,939</u>

For the year ended December 31, 2023

	<b>Financial Assets at FVTPL</b>	<b>Financial Assets at FVTOCI</b>
Balance, beginning of year	\$ 162,446	\$ 638,794
Addition	-	140,113
Recognized in other gains and losses	15,467	-
Recognized in other comprehensive income (unrealized loss on equity instruments at FVTOCI)	-	(869)
Balance, end of year	<u>\$ 177,913</u>	<u>\$ 778,038</u>

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

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

- 1) The fair values of financial assets and financial liabilities with standard terms and conditions which are traded on active liquid markets are determined with reference to quoted market prices (includes listed corporate callable bonds, shares, draft, corporate bonds and bonds without maturity date). If such quoted prices are not available, valuation techniques are applied. The estimates and assumptions used by the Group are consistent with those that market participants would use in setting a price for the financial instrument.
- 2) The fair values of derivative instruments were calculated using quoted prices. If such quoted prices are not available, a discounted cash flow analysis was performed using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives. The estimates and assumptions used by the Group were consistent with those that market participants would use in setting a price for the financial instrument.
- 3) Valuation techniques and inputs applied for Level 2 fair value measurement

<b>Financial Instrument</b>	<b>Valuation Technique and Inputs</b>
Financial assets at amortized cost - bonds	The fair value is determined based on publicly available market quotes provided by third-party institutions.

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

<b>Financial Instruments</b>	<b>Valuation Techniques and Inputs</b>
Domestic and overseas unlisted shares	Market approach: The fair value is measured by the share price and liquidity of similar listed company.
Domestic and overseas unlisted equity investments	Income approach: The fair value is measured by the capitalized or discounted projected income.
Domestic private placement 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 Group evaluates and confirms the reliability, independence and correspondence of the information sources of the estimated value. Appropriate adjustments are made to ensure the rationality of the valuation presented.

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

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

### Categories of Financial Instruments

	December 31	
	2024	2023
<u>Financial assets</u>		
Financial assets at amortized cost (Note 1)	\$ 2,097,821	\$ 1,943,483
Financial assets at FVTPL	241,495	177,913
Financial assets at FVTOCI		
Equity instruments	959,939	778,038
<u>Financial liabilities</u>		
Financial liabilities at amortized cost (Note 2)	796,232	596,958

Note 1: The balances included financial assets measured at amortized cost, which comprised cash and cash equivalents, time deposits with original maturities of more than three months, accounts receivable (including related parties), other receivables, debt instruments measured at amortized cost, other financial assets and refundable deposits.

Note 2: The balances included financial liabilities measured at amortized cost, which comprised short-term bills payable, notes and accounts payable (including related parties) and other payables (including related parties).

### Financial Risk Management Objectives and Policies

The Group's financial instruments mainly include equity and debt investments, accounts receivable, accounts payable and lease liability. The Group's Department of Finance and Accounting provides services to the business, coordinates access to domestic and international financial markets, and monitors and manages the financial risks relating to the operations of the Group through internal risk reports that analyze 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 hedges risk through derivative financial instruments to mitigate the impact of such risks. The use of derivative financial instruments is governed by the policies adopted by the board of directors of the company, which are written principles for investment in exchange rate risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments and remaining liquidity.

a. Market risk

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

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

1) Foreign currency risk

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the year were set out in Note 32.

Sensitivity analysis

The Group was mainly exposed to the United States dollar (USD) and Renminbi (RMB).

The following table shows the Group's sensitivity to a 2% increase and decrease in New Taiwan dollars (the functional currency) against the relevant foreign currencies. 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 is 2%. The sensitivity analysis included only outstanding foreign currency denominated monetary items and foreign exchange forward contracts adjusts their translation at the end of the reporting period for a 2% change in foreign currency rates. A positive number below indicates an increase in pre-tax profit and other equity associated with the New Taiwan dollar strengthening 2% against the relevant currency. For a 2% weakening of the New Taiwan dollar against the relevant currency, there would be an equal and opposite impact on pre-tax profit and other equity, and the balances below would be negative.

	<b>Currency USD impact</b>		<b>Currency RMB Impact</b>	
	<b>For the Year Ended December 31</b>		<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Profit or loss	\$ 7,931	\$ 9,014	\$ 3,037	\$ -

2) Interest rate risk

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

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Fair value interest rate risk		
Financial assets	\$ 1,218,212	\$ 1,143,486
Financial liabilities	239,510	44,766

### Sensitivity analysis

The financial assets exposed to interest rate risk were mainly certificates of time deposits and repurchase agreements collateralized by bonds and bond investments. Because the interest rate was determined when depositing, the abovementioned financial assets 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.

#### 3) Other price risk

The Group was exposed to price risk through its investments in equity securities and convertible bonds. Equity investments are held for strategic rather than for trading purposes; the Group does not actively trade these investments.

### Sensitivity analysis

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

If equity prices had been 10% higher/lower, the profit before tax for the years ended December 31, 2024 and 2023 would have increased/decreased by \$24,150 thousand and \$17,791 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL, and the other comprehensive income before tax for the years ended December 31, 2024 and 2023 would have increased/decreased by \$95,994 thousand and \$77,803 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

#### b. Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. As at the end of the year, the Group's maximum exposure to credit risk, which would cause a financial loss to the Group due to failure of counterparty to discharge its obligation and financial guarantees provided by the Group, could be equal to the carrying amount of the respective recognized financial assets as stated in the balance sheets.

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

Accounts receivable from four largest customers amounted to \$118,166 thousand and \$112,379 thousand as of December 31, 2024 and 2023, respectively. The Group's concentration of credit risk of 64% and 54% of total accounts receivable as of December 31, 2024 and 2023, respectively, was attributable to the four largest customers in the Group.

#### c. Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows.



The following table detailed the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The tables included both interest and principal cash flows.

#### December 31, 2024

	Effective Interest Rate (%)	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years	Total
<u>Non-derivative financial liabilities</u>							
Non-interest bearing	-	\$ 100,752	\$ 196,861	\$ 288,626	\$ -	\$ -	\$ 586,239
Lease liabilities	1.60%-4.00%	2,590	2,530	11,013	15,317	-	31,450
Fixed interest rate liabilities	2.17%-2.18%	<u>105,500</u>	<u>105,507</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>211,007</u>
		<u>\$ 208,842</u>	<u>\$ 304,898</u>	<u>\$ 299,639</u>	<u>\$ 15,317</u>	<u>\$ -</u>	<u>\$ 828,696</u>

#### December 31, 2023

	Effective Interest Rate (%)	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years	Total
<u>Non-derivative financial liabilities</u>							
Non-interest bearing	-	\$ 66,565	\$ 261,788	\$ 268,605	\$ -	\$ -	\$ 596,958
Lease liabilities	1.60-8.00	<u>2,519</u>	<u>2,455</u>	<u>11,054</u>	<u>30,182</u>	<u>-</u>	<u>46,210</u>
		<u>\$ 69,084</u>	<u>\$ 264,243</u>	<u>\$ 279,659</u>	<u>\$ 30,182</u>	<u>\$ -</u>	<u>\$ 643,168</u>

### 30. RELATED-PARTY TRANSACTIONS

The Company's parent is VIA Technology Inc., which held 55.67% and 55.99% of the ordinary shares of the Company on December 31, 2024 and 2023, respectively.

#### a. The names and relationships of related parties

<u>Related Party</u>	<u>Related Party Category</u>
VIA Technologies, Inc.	Parent
Vate Technology Co., Ltd.	Sister
VIA Technologies, Inc. (USA)	Sister
VIA CPU Platform, Inc.	Sister
VIA Technologies (Shenzhen) Co, Ltd.	Sister
VIA Next Technologies, Inc.	Sister
VIA Technologies (China) Co, Ltd.	Sister
Xander International Corp.	Other related party
HTC Corporation	Other related party
APEX (TWN) International Co., Ltd.	Other related party
Shanghai Zhaoxin Semiconductor Co., Ltd. (Note)	Other related party
VIA Alliance Technology, Inc. (Note)	Other related party

Note: Due to the loss of influence by the Group on March 30, 2023, the relationship between the Group and Shanghai Zhaoxin Semiconductor Co., Ltd. has changed from a substantial related party to a non-related party. Additionally, VIA Alliance Technology, Inc. is a subsidiary indirectly owned by Shanghai Zhaoxin Semiconductor Co., Ltd., holding 100% of its shares. Therefore, the relationship between the Group and the aforementioned company has also changed from a substantial related party to a non-related party.

b. Operating transactions

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
<u>Sales</u>		
Parent	\$ 491	\$ 8
Other related party	<u>1,301</u>	<u>1,727</u>
	<u>\$ 1,792</u>	<u>\$ 1,735</u>

Selling prices and terms of credit to related parties are similar with other regular sales.

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
<u>Other operating income</u>		
Sister - VIA Next Technologies, Inc.	<u>\$ -</u>	<u>\$ 145</u>

The Group entered into technical service contract with the above related party. The revenue recognized under other operating income is calculated according to the contract.

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

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Parent	\$ 100	\$ 8
Other related party	<u>156</u>	<u>486</u>
	<u>\$ 256</u>	<u>\$ 494</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:

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Sister	<u>\$ 8,076</u>	<u>\$ 11,604</u>

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

c. Lease arrangements - the Group is lessee

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
<u>Acquisition of right-of-use assets</u>		
Parent - VIA Technologies, Inc.	\$ -	\$ 40,861
	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
<u>Lease liabilities</u>		
Parent - VIA Technologies, Inc.	\$ 27,592	\$ 42,152
	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
<u>Interest expense</u>		
Parent - VIA Technologies, Inc.	\$ 556	\$ 116
<u>Lease expense</u>		
Parent - VIA Technologies, Inc.	\$ 357	\$ 721

The Group rented the offices and parking lots from the above related parties. Rental prices were determined based on the prevailing rates in the surrounding area.

d. Acquisition of property, plant and equipment

	<b>Purchase Price</b>	
	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
<u>Instrument equipment</u>		
Parent	\$ -	\$ 376
Sister	400	82
	<u>\$ 400</u>	<u>\$ 458</u>
<u>Computer equipment</u>		
Sister	<u>\$ 84</u>	<u>\$ -</u>
<u>Leasehold improvements</u>		
Other related party - APEX (TWN) International Co., Ltd.	<u>\$ 667</u>	<u>\$ -</u>

e. Compensation of key management personnel

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Short-term benefits	\$ 55,174	\$ 35,803
Share-based payment	-	132
Post-employment benefits	648	630
Other benefits	<u>140</u>	<u>140</u>
	<u>\$ 55,962</u>	<u>\$ 36,705</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) Packaging and testing cost

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Sister	<u>\$ 32,735</u>	<u>\$ 30,530</u>

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

2) Research expense

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Parent	\$ 9,141	\$ 11,975
Sister	13,631	12,353
Other related party	<u>266</u>	<u>382</u>
	<u>\$ 23,038</u>	<u>\$ 24,710</u>

The research expense mainly included testing cost, professional fee, the expenditure of EDA and consumables.

3) Professional fees

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Parent - VIA Technologies, Inc.	\$ 15,160	\$ 16,357
Sister	<u>2,569</u>	<u>6,087</u>
	<u>\$ 17,729</u>	<u>\$ 22,444</u>

The Group entered into service agreements with VIA Technologies, Inc. to receive management consulting and technical support services. The expenses based on these agreements are recognized as professional fees.

4) Other payables

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Parent	\$ 3,711	\$ 4,255
Sister	3,473	3,117
Other related party	<u>597</u>	<u>368</u>
	<u>\$ 7,781</u>	<u>\$ 7,740</u>

### 31. PLEDGED ASSETS

The following assets of the Group are provided as collateral for customs duties on imported raw materials:

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Pledged time deposits (classified as other financial assets - non-current)	<u>\$ 1,000</u>	<u>\$ 37,846</u>

### 32. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

December 31, 2024

	<b>Foreign Currency</b>	<b>Exchange Rate</b>
<u>Financial assets</u>		
Monetary items		
USD	\$ 23,104	32.79
RMB	35,040	4.56
<u>Financial liabilities</u>		
Monetary items		
USD	11,010	32.79
RMB	1,743	4.56

December 31, 2023

	<b>Foreign Currency</b>	<b>Exchange Rate</b>
<u>Financial assets</u>		
Monetary items USD	\$ 18,680	30.71
<u>Financial liabilities</u>		
Monetary items USD	4,952	30.71

The significant realized and unrealized foreign exchange gains (including realized and unrealized) were as follows:

<b>Foreign Currency</b>	<b>For the Year Ended December 31</b>			
	<b>2024</b>		<b>2023</b>	
	<b>Exchange Rate</b>	<b>Net Foreign Exchange Gain</b>	<b>Exchange Rate</b>	<b>Net Foreign Exchange Gain</b>
USD	32.11 (USD:NTD)	<u>\$ 35,628</u>	31.16 (USD:NTD)	<u>\$ 4,353</u>

### 33. SEPARATELY DISCLOSED ITEMS

Information on significant transactions and information on investees:

- a. Financing provided: None
- b. Endorsements/guarantees provided to others: None
- c. Marketable securities held (excluding investment in subsidiaries, associates and joint ventures): Table 1
- d. Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital: Table 2
- e. Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital: None
- f. Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital: None
- g. Total purchases from or sales to related parties of at least NT\$100 million or 20% of the paid-in capital: None
- h. Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None

- i. Information on derivative instruments: None
- j. Others: The business relationship between the parent and the subsidiaries and between each subsidiary, and significant transactions between them: Table 3
- k. Information on investees: Table 4

Information on investments in mainland China:

- a. 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, shareholding ratio, investment gain or loss, carrying amount of the investment at the end of the period, repatriated investment gains, and limit on the amount of investment in the mainland China area: Table 5
- b. 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 5
  - 1) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
  - 2) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
  - 3) The amount of property transactions and the amount of the resultant gains or losses.
  - 4) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
  - 5) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.
  - 6) 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.

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 6

### **34. SEGMENT INFORMATION**

Information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. Under IFRS 8 “Operating Segments”, the Group is organized and managed as a single reportable business segment. The Group’s operations are mainly in the research, design, manufacture and sales of USB and USB power delivery controllers account for more than 90% of the total revenue.

## Geographical Information

The information regarding revenue from continuing operations from external customers categorized by operating location and non-current assets categorized by the region where the assets were located were as follows:

	Revenue from External Customers		Non-current Assets	
	For the Year Ended December 31		December 31	
	2024	2023	2024	2023
Taiwan	\$ 829,172	\$ 776,183	\$ 243,397	\$ 282,292
Hong Kong and China	635,398	612,665	8,012	2,533
Japan	223,322	484,321	-	-
Europe	9,051	160,001	-	-
Others	<u>3,367</u>	<u>1,933</u>	<u>-</u>	<u>2,580</u>
	<u>\$ 1,700,310</u>	<u>\$ 2,035,103</u>	<u>\$ 251,409</u>	<u>\$ 287,405</u>

Non-current assets does not include financial instruments and deferred tax assets.

## Information on Major Customers

Single customers contributing 10% or more to the Group's revenue were as follows:

	For the Year Ended December 31			
	2024		2023	
	Amount	% of Account Total	Amount	% of Account Total
Customer A	\$ 707,532	42	\$ 684,278	34
Customer B	242,719	14	273,366	13
Customer C	222,203	13	477,330	23
Customer D	<u>173,414</u>	<u>10</u>	<u>223,938</u>	<u>11</u>
	<u>\$ 1,345,868</u>	<u>79</u>	<u>\$ 1,658,912</u>	<u>81</u>



**TABLE 1**

**VIA LABS, INC. AND SUBSIDIARIES**

**MARKETABLE SECURITIES HELD**  
**DECEMBER 31, 2024**  
(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, 2024				Note
				Number of Shares (In Thousands)	Carrying Amount	Percentage of Ownership (%)	Fair Value	
VIA Labs, Inc.	<u>Unlisted company</u>							
	EverPro (Wuhan) Technologies Company Ltd.	None	Financial assets at fair value through profit or loss - non-current	4,528	\$ 103,346	2.20	\$ 103,346	
	KikaGo Limited	None	Financial assets at fair value through other comprehensive income - non-current	2	-	19.05	-	
	<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	-	249,776	1.27	249,776	
	Ally Bridge Group-CMRCO., L.P.	None	Financial assets at fair value through other comprehensive income - non-current	-	130,843	11.39	130,843	
	SMART Growth Fund, L.P.	None	Financial assets at fair value through other comprehensive income - non-current	-	193,590	1.72	193,590	
	10D Fund II L.P.	None	Financial assets at fair value through other comprehensive income - non-current	-	18,498	1.09	18,498	
	10D Opportunity Fund I LP.	None	Financial assets at fair value through other comprehensive income - non-current	-	35,049	6.63	35,049	
	ACHI Capital Partners Fund L.P.	None	Financial assets at fair value through other comprehensive income - non-current	-	332,183	5.78	332,183	
	<u>Convertible bonds</u>							
	Ennoconn Corporation	None	Financial assets at fair value through profit or loss - non-current	1	138,149	-	138,150	
	<u>Bonds</u>							
	Cathay Life Insurance Co., Ltd. Unsecured Subordinated Accumulating Corporate Bonds	None	Financial assets at amortized cost - non-current	-	131,225	-	131,894	
	Fubon Life Insurance Co., Ltd. Unsecured Subordinated Accumulating Corporate Bonds	None	Financial assets at amortized cost - non-current	-	131,239	-	130,861	

**TABLE 2**

**VIA LABS, INC. AND SUBSIDIARIES**

**MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(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 (In Thousands)	Amount	Number of Shares (In Thousands)	Amount	Number of Shares (In Thousands)	Amount	Carrying Amount	Gain (Loss) on Disposal	Number of Shares	Amount
VIA Labs, Inc.	ACHI Capital Partners Fund L.P.	Financial assets at fair value through other comprehensive income - non-current	ACHI Capital Partners Fund L.P.	-	-	\$ 141,321	-	\$ 201,227	-	\$ -	\$ -	\$ -	-	\$ 332,183

**TABLE 3**

**VIA LABS, INC. AND SUBSIDIARIES**

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

No.	Company Name	Counterparty	Flow of Transactions	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	Percentage to Consolidated Total Assets/Revenue (%)
0	VIA Labs, Inc.	VIA Labs USA, Inc.	a	Research expense	\$ 25,537	Similar to non-related party transaction	1
		VIA Labs USA, Inc.	a	Other payables	6,340	Similar to non-related party transaction	-
		VIA Labs (Shenzhen) Co., Ltd.	a	Research expense	30,248	Similar to non-related party transaction	2
		VIA Labs (Shenzhen) Co., Ltd.	a	Other payables	7,120	Similar to non-related party transaction	-
		HuiLink Technologies (Xiamen) Co., Ltd.	a	Sales	4,115	Similar to non-related party transaction	-
		HuiLink Technologies (Xiamen) Co., Ltd.	a	Accounts receivable	3,643	Similar to non-related party transaction	-

Note 1: Business relationships between parent company and subsidiary are identified and numbered (in the first column) as follows:

- a. “0” for parent company.
- b. Subsidiaries are numbered from “1”.

Note 2: Flows of transactions are categorized as follows:

- a. From a parent company to its subsidiary.
- b. From a subsidiary to its parent company.
- c. Between subsidiaries.

Note 3: Percentage to consolidated total assets is calculated by dividing the amount of a particular asset or liability account by the consolidated total of assets as of December 31, 2024. Percentage to consolidated total revenue is calculated by dividing the amount of a particular revenue or cost or expense account by the consolidated total operating revenue for the year ended December 31, 2024.

Note 4: Information on significant transactions in the table is disclosed by the Company based on the principle of materiality.

TABLE 4

VIA LABS, INC. AND SUBSIDIARIES

INFORMATION ON INVESTEEES  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(In Thousands of New Taiwan Dollars/Shares)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2024			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 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	\$ 12,713	\$ 651	\$ 651	\$ -	\$ -	

Note: Information on the investment in mainland China is disclosed on Table 5.

**TABLE 5**

**VIA LABS, INC. AND SUBSIDIARIES**

**INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

1. Information on any investee company in mainland China:

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type	Accumulated Outflow of Investment from Taiwan as of January 1, 2024	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2024	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Income (Loss) Recognized	Carrying Value as of December 31, 2024	Accumulated Inward Remittance of Earnings as of December 31, 2024
					Outflow	Inflow						
VIA Labs (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	\$ 1,676	100.00	\$ 1,676	\$ 12,653	\$ -
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	(20)	100.00	(20)	4,520	-
HuiLink Technologies (Xiamen) Co., Ltd.	Integrated circuits chip testing and technical support	166,877	Direct investment in company located in mainland China through VIA Labs, Inc.	-	89,133	-	89,133	(11,140)	55.00	(6,127)	86,414	-

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

Accumulated Outflow for Investment in Mainland China as of December 31, 2024	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on Investment
\$ 357,710 (RMB 76,407)	\$ 379,050 (RMB 81,391)	\$ 1,699,636

Note 1: As of December 31, 2024, the amount of the accumulated outflow of investment in mainland China and the investment amount authorized by the Investment Commission, MOEA were included in the amount of investment of NT\$187,373 thousand and NT\$208,713 thousand in EverPro Technologies Company Ltd., which was renamed as EverPro (Wuhan) Technologies Joint Stock Limited Company in December 2021, and the investment was accounted for as financial assets at fair value through profit or loss - non-current.

Note 2: As of December 31, 2024, the amount of the accumulated outflow of investment in mainland China and the investment amount authorized by the Investment Commission, MOEA were included in the indirect amount of investment of NT\$462 thousand in Shenzhen KikaGO Limited through KikaGo Limited, which was accounted for as financial assets at fair value through other comprehensive income - non-current.

(Continued)

- Note 3: As of December 31, 2024, the amount of \$52,879 thousand of accumulated outflow for investment in mainland China and the investment amount authorized by the Investment Commission, MOEA were invested in Xiamen ACHI Capital Partners Fund L.P. through investment in ACHI Capital Partners Fund L.P. in the third area, which is accounted for under financial assets at fair value through other comprehensive income - non-current.
- Note 4: As of December 31, 2024, the amount of \$314 thousand of accumulated outflow for investment in mainland China and the investment amount authorized by the Investment Commission, MOEA were invested in Xiamen ACHI Capital Partners Fund L.P. through investment in ACHI Capital Partners Fund L.P. in the third area, which is accounted for under financial assets at fair value through other comprehensive income - non-current.
- Note 5: As of December 31, 2024, the amount of \$18,655 thousand of accumulated outflow for investment in mainland China and the investment amount authorized by the Investment Commission, MOEA were invested in Xiamen ACHI Capital Partners Fund L.P. through investment in ACHI Capital Partners Fund L.P. in the third area, which is accounted for under financial assets at fair value through other comprehensive income - non-current.
- Note 6: The net equity value of HuiLink Technologies (Xiamen) Co., Ltd. at the end of the period was \$86,616 thousand, and the difference between the net equity value and the carrying value of the investment was due to downstream transactions.
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: Table 3.
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 6****VIA LABS, INC.****INFORMATION OF MAJOR SHAREHOLDERS  
DECEMBER 31, 2024**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
VIA Technologies, Inc.	38,843,000	55.67

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.

## **Schedule 2**

# **2024 Parent Company Only Financial Statements and Independent Auditors' Report**



**VIA Labs, Inc.**

**Parent Company Only Financial Statements for the  
Years Ended December 31, 2024 and 2023 and  
Independent Auditors' Report**

## INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders  
VIA Labs, Inc.

### Opinion

We have audited the accompanying parent company only financial statements of VIA Labs, Inc. (the “Company”), which comprise the parent company only balance sheets as of December 31, 2024 and 2023, 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 “parent company only financial statements”).

In our opinion, the 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, 2024 and 2023, 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 Financial Statement Audit and Attestation Engagements of 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, 2024. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter of the parent company only financial statements for the year ended December 31, 2024 is stated as follows:

#### Revenue Recognition

Revenue from the sale of goods is recognized when significant risks and control are transferred to the customers. Technical service revenue is recognized when performance obligations of services are fulfilled, and the amount of revenue can be reasonably measured. The revenue from specific customers accounted for 46% of operating revenue in 2024, which is material to the parent company only financial statements. Therefore, we identified the recognition of revenue from the specific customers was deemed to be a key audit matter.

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

We understood and tested the effectiveness of the design and implementation of the main internal controls regarding the authenticity of revenue from specific customers. We also conducted sampling and confirmation procedures for the full-year sales revenue of these customers to test the authenticity of sales to these customers.

#### **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 parent company only 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 management and the audit committee, are responsible for overseeing the Company's financial reporting process.

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

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

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

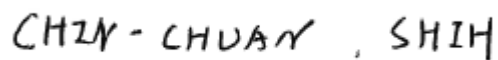
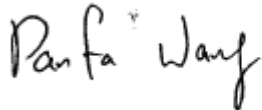
1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2024 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.



Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 11, 2025

Notice to Readers

*The accompanying parent company only 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 parent company only financial statements are those generally applied in the Republic of China.*

*For the convenience of readers, the independent auditors' report and the accompanying parent company only 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 parent company only financial statements shall prevail.*

# VIA LABS, INC.

## PARENT COMPANY ONLY BALANCE SHEETS DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024		2023	
ASSETS	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 1,044,397	28	\$ 1,374,888	38
Financial assets at amortized cost - current (Notes 4 and 9)	430,000	12	310,000	8
Accounts receivable (Notes 4, 10 and 30)	180,428	5	202,640	6
Other receivables (Notes 4 and 10)	8,638	-	3,611	-
Inventories (Notes 4, 5 and 11)	130,269	3	313,371	9
Other current assets (Note 16)	<u>9,246</u>	<u>-</u>	<u>9,785</u>	<u>-</u>
Total current assets	<u>1,802,978</u>	<u>48</u>	<u>2,214,295</u>	<u>61</u>
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current (Notes 4 and 7)	241,495	6	177,913	5
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	959,939	26	778,038	22
Financial assets at amortized cost - non-current (Notes 4 and 9)	262,464	7	-	-
Investments accounted for using the equity method (Notes 4 and 12)	116,254	3	25,973	1
Property, plant and equipment (Notes 4, 13 and 30)	101,891	3	115,503	3
Right-of-use assets (Notes 4, 14 and 30)	27,241	1	40,861	1
Intangible assets (Notes 4 and 15)	114,266	3	125,742	3
Deferred tax assets (Notes 4 and 24)	93,288	3	94,024	3
Other financial assets - non-current (Notes 16 and 31)	1,000	-	37,846	1
Other non-current assets (Note 16)	<u>1</u>	<u>-</u>	<u>188</u>	<u>-</u>
Total non-current assets	<u>1,917,839</u>	<u>52</u>	<u>1,396,088</u>	<u>39</u>
TOTAL	<u>\$ 3,720,817</u>	<u>100</u>	<u>\$ 3,610,383</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term bills payable (Note 17)	\$ 209,993	6	\$ -	-
Notes and accounts payable (Notes 18 and 30)	76,886	2	151,665	4
Other payables (Notes 19 and 30)	514,749	14	453,230	13
Current tax liabilities (Notes 4 and 24)	24,304	1	81,683	2
Provisions - current (Notes 4 and 20)	7,377	-	8,538	-
Lease liabilities - current (Notes 4, 14 and 30)	13,753	-	14,694	-
Other current liabilities (Note 19)	<u>13,305</u>	<u>-</u>	<u>15,089</u>	<u>1</u>
Total current liabilities	<u>860,367</u>	<u>23</u>	<u>724,899</u>	<u>20</u>
NON-CURRENT LIABILITIES				
Deferred tax liabilities (Notes 4 and 24)	9,334	-	-	-
Lease liabilities - non-current (Notes 4, 14 and 30)	13,839	1	27,458	1
Net defined benefit liabilities (Notes 4 and 21)	<u>4,550</u>	<u>-</u>	<u>3,137</u>	<u>-</u>
Total non-current liabilities	<u>27,723</u>	<u>1</u>	<u>30,595</u>	<u>1</u>
Total liabilities	<u>888,090</u>	<u>24</u>	<u>755,494</u>	<u>21</u>
EQUITY (Note 22)				
Share capital	697,260	19	690,740	19
Capital collected in advance	882	-	5,191	-
Capital surplus	1,581,469	42	1,576,268	44
Retained earnings				
Legal reserve	247,237	7	229,194	6
Special reserve	28,865	1	27,628	1
Unappropriated earnings	352,472	9	354,629	10
Other equity	<u>(75,458)</u>	<u>(2)</u>	<u>(28,761)</u>	<u>(1)</u>
Total equity	<u>2,832,727</u>	<u>76</u>	<u>2,854,889</u>	<u>79</u>
TOTAL	<u>\$ 3,720,817</u>	<u>100</u>	<u>\$ 3,610,383</u>	<u>100</u>

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

# VIA LABS, INC.

## PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4 and 30)	\$ 1,703,280	100	\$ 2,035,103	100
OPERATING COSTS (Notes 11, 23 and 30)	<u>852,322</u>	<u>50</u>	<u>1,103,743</u>	<u>54</u>
UNREALIZED GAINS FROM SALES WITH SUBSIDIARY	<u>202</u>	<u>-</u>	<u>-</u>	<u>-</u>
GROSS PROFIT	<u>850,756</u>	<u>50</u>	<u>931,360</u>	<u>46</u>
OPERATING EXPENSES (Notes 23 and 30)				
Selling and marketing expenses	65,436	4	53,338	2
General and administrative expenses	81,200	5	76,255	4
Research and development expenses	<u>680,914</u>	<u>40</u>	<u>648,498</u>	<u>32</u>
Total operating expenses	<u>827,550</u>	<u>49</u>	<u>778,091</u>	<u>38</u>
PROFIT FROM OPERATIONS	<u>23,206</u>	<u>1</u>	<u>153,269</u>	<u>8</u>
NON-OPERATING INCOME AND EXPENSES (Notes 23 and 30)				
Interest income	38,290	2	34,017	2
Other income	20,020	1	-	-
Other gains and losses	109,734	7	23,666	1
Finance costs	(3,314)	-	(116)	-
Share of profit of subsidiaries	<u>(3,820)</u>	<u>-</u>	<u>1,751</u>	<u>-</u>
Total non-operating income and expenses	<u>160,910</u>	<u>10</u>	<u>59,318</u>	<u>3</u>
PROFIT BEFORE INCOME TAX	184,116	11	212,587	11
INCOME TAX EXPENSE (Notes 4 and 24)	<u>(26,868)</u>	<u>(2)</u>	<u>(32,018)</u>	<u>(2)</u>
NET PROFIT FOR THE YEAR	<u>157,248</u>	<u>9</u>	<u>180,569</u>	<u>9</u>
OTHER COMPREHENSIVE (LOSS) INCOME (Notes 21, 22 and 24)				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of defined benefit plans	(1,359)	-	(141)	-
Unrealized loss on investments in equity instruments at fair value through other comprehensive income	(72,050)	(4)	(869)	-

(Continued)

# VIA LABS, INC.

## PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
Income tax related to items that will not be reclassified subsequently to profit or loss	\$ 20,401	1	\$ -	-
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translating foreign operations	<u>5,170</u>	<u>-</u>	<u>(264)</u>	<u>-</u>
Other comprehensive loss for the year, net of income tax	<u>(47,838)</u>	<u>(3)</u>	<u>(1,274)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 109,410</u>	<u>6</u>	<u>\$ 179,295</u>	<u>9</u>
EARNINGS PER SHARE (Note 25)				
From continuing operations				
Basic	<u>\$ 2.26</u>		<u>\$ 2.62</u>	
Diluted	<u>\$ 2.23</u>		<u>\$ 2.57</u>	

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



# VIA LABS, INC.

## PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	Share Capital	Capital Collected in Advance	Capital Surplus	Retained Earnings			Other Equity		Total Equity
				Legal Reserve	Special Reserve	Unappropriated Earnings	Unrealized Loss on Financial Assets at Fair Value Through Other Comprehensive Income	Exchange Differences on Translating Foreign Operations	
BALANCE AT JANUARY 1, 2023	\$ 685,110	\$ 4,496	\$ 1,571,188	\$ 156,817	\$ 22,209	\$ 768,732	\$ (27,997)	\$ 369	\$ 3,180,924
Appropriation of 2022 earnings									
Legal reserve	-	-	-	72,377	-	(72,377)	-	-	-
Special reserve	-	-	-	-	5,419	(5,419)	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(516,735)	-	-	(516,735)
Transaction of share-based payment (Note 26)	-	-	550	-	-	-	-	-	550
Issuance of new ordinary shares under employee share options	5,630	695	4,530	-	-	-	-	-	10,855
Net profit for the year ended December 31, 2023	-	-	-	-	-	180,569	-	-	180,569
Other comprehensive loss for the year ended December 31, 2023	-	-	-	-	-	(141)	(869)	(264)	(1,274)
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	180,428	(869)	(264)	179,295
BALANCE AT DECEMBER 31, 2023	690,740	5,191	1,576,268	229,194	27,628	354,629	(28,866)	105	2,854,889
Appropriation of 2023 earnings									
Legal reserve	-	-	-	18,043	-	(18,043)	-	-	-
Special reserve	-	-	-	-	1,237	(1,237)	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(138,984)	-	-	(138,984)
Transaction of share-based payment (Note 26)	-	-	354	-	-	-	-	-	354
Issuance of new ordinary shares under employee share options	6,520	(4,309)	4,847	-	-	-	-	-	7,058
Net profit for the year ended December 31, 2024	-	-	-	-	-	157,248	-	-	157,248
Other comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	-	(1,141)	(51,867)	5,170	(47,838)
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	-	156,107	(51,867)	5,170	109,410
BALANCE AT DECEMBER 31, 2024	<u>\$ 697,260</u>	<u>\$ 882</u>	<u>\$ 1,581,469</u>	<u>\$ 247,237</u>	<u>\$ 28,865</u>	<u>\$ 352,472</u>	<u>\$ (80,733)</u>	<u>\$ 5,275</u>	<u>\$ 2,832,727</u>

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

# VIA LABS, INC.

## PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before income tax	\$ 184,116	\$ 212,587
Adjustments for:		
Depreciation expense	89,227	81,123
Amortization expense	91,625	55,725
Finance costs	3,314	116
Interest income	(38,290)	(34,017)
Dividend income	20,020	-
Compensation costs of employee share options	354	550
Unrealized gains from sales with subsidiary	202	-
Share of profit (loss) of subsidiaries	3,820	(1,751)
Changes in operating assets and liabilities		
Financial assets at fair value through profit or loss	(63,582)	(15,061)
Accounts receivable	22,212	56,427
Inventories	183,102	644,195
Other current assets	539	5,641
Notes and accounts payable	(74,779)	20,847
Other payables	63,462	(6,990)
Provisions	(1,161)	3,820
Other current liabilities	(1,784)	8,335
Net defined benefit liabilities	54	58
Cash generated from operations	482,451	1,031,605
Interest received	33,399	32,775
Dividend income	(20,020)	-
Interest paid	(3,314)	(116)
Income tax paid	(53,776)	(74,639)
Net cash generated from operating activities	438,740	989,625
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at fair value through other comprehensive income	(253,951)	(140,113)
Purchase of financial assets at amortized cost	(382,600)	(310,000)
Purchase of long-term equity investments using the equity method	(89,133)	-
Payments for property, plant and equipment	(61,007)	(97,427)
Payments for intangible assets	(82,893)	(67,577)
Decrease in other financial assets	36,846	18,432
Net cash used in investing activities	(832,738)	(596,685)

(Continued)

**VIA LABS, INC.**

**PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023  
(In Thousands of New Taiwan Dollars)**

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	2024	2023
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term bills payable	\$ 209,993	\$ -
Repayment of the principal portion of lease liabilities	(14,560)	(13,371)
Dividends paid	(138,984)	(516,735)
Proceeds from exercise of employee share options	<u>7,058</u>	<u>10,855</u>
Net cash generated from (used in) financing activities	<u>63,507</u>	<u>(519,251)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(330,491)	(126,311)
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	<u>1,374,888</u>	<u>1,501,199</u>
CASH AND CASH EQUIVALENTS, END OF THE YEAR	<u>\$ 1,044,397</u>	<u>\$ 1,374,888</u>

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

# VIA LABS, INC.

## NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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### 1. GENERAL INFORMATION

VIA Labs, Inc. (“VLI” or the “Company”) was incorporated in September 2008 under the Company Law of the Republic of China to engage in the programming, designing, manufacturing and selling of USB and USB power delivery controllers for multi-functional devices and platforms. As of December 31, 2023, VIA Technologies, Inc. owned 55.67% of VLI’s equity interest and the paid-in capital of VLI was \$697,260 thousand.

VLI’s shares were listed on the Emerging Stock Board of the Taipei Exchange in December 2019. In addition, VLI’s listing application was approved by the Taiwan Stock Exchange Review Committee and reported to the Financial Supervisory Commission for approval in September 2020. VLI’s shares were listed on the Taiwan Stock Exchange in December 2020.

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

### 2. APPROVAL OF FINANCIAL STATEMENTS

The parent company only financial statements were approved by the Company’s board of directors on March 11, 2025.

### 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 IFRS Accounting Standards endorsed and issued into effect by the FSC did not have a material impact on the Company’s accounting policies.

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2025

<b>New, Amended and Revised Standards and Interpretations</b>	<b>Effective Date Announced by IASB (Not)</b>
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note 1)
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” - the amendments to the application guidance of classification of financial assets	January 1, 2026 (Note 2)

Note 1: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments to IAS 21, the Company shall not restate the comparative information and shall recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or, if applicable, to the cumulative amount of translation differences in equity as well as affected assets or liabilities.

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2026. It is permitted to apply these amendments for an earlier period beginning on January 1, 2025. An entity shall apply the amendments retrospectively but is not required to restate prior periods. The effect of initially applying the amendments shall be recognized as an adjustment to the opening balance at the date of initial application. An entity may restate prior periods if, and only if, it is possible to do so without the use of hindsight.

As of the date the parent company only financial statements were authorized for issue, the Company is continuously assessing impacts of the above amended standards and interpretations on the Company's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

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

<b>New, Amended and Revised Standards and Interpretations</b>	<b>Effective Date Announced by IASB (Note)</b>
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" - the amendments to the application guidance of derecognition of financial liabilities	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"	January 1, 2026
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 17 and IFRS 9 - Comparative Information"	January 1, 2023
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	January 1, 2027

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

#### IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 will supersede IAS 1 "Presentation of Financial Statements". The main changes comprise:

- 1) Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discontinued operations categories.
- 2) The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.

- 3) Provides guidance to enhance the requirements of aggregation and disaggregation: The Company shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Company shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Company labels items as “other” only if it cannot find a more informative label.
- 4) Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Company as a whole, the Company shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

Except for the above impact, as of the date the parent company only financial statements were authorized for issue, the Company is continuously assessing the other impacts of the above amended 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 POLICY 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 net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

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

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

When preparing these parent company only financial statements, the Company used the equity method to account for its investments in subsidiaries. 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, the share of other comprehensive income of subsidiaries 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 12 months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; and
- c. Liabilities for which the Company does not have the substantial right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

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.

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 the loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement 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 transactions 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. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at weighted-average cost on the balance sheet date.

## **Investments in 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 transactions. 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 that constitutes a business 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 of a subsidiary that constitutes a business over the cost of acquisition is recognized immediately in profit or loss. When the Company acquires a subsidiary that does not constitute a business, the Company appropriately allocates the cost of acquisition to the Company's share of the amounts of the identifiable assets acquired (including intangible assets) and liabilities assumed, and the transaction does not give rise to goodwill nor gains.

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.

### **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.

Property, plant and equipment in the course of construction are measured at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Samples produced when testing whether an item of property, plant and equipment is functioning properly before that asset reaches its intended use are measured at the lower of cost or net realizable value, and any proceeds from selling those samples and the cost of those samples are recognized in profit or loss. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

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

### **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 by the Company at the end of each reporting period, with the effect of any changes in the estimates 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 Assets and Intangible Assets**

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, financial assets at amortized cost and investments in equity instruments at FVTOCI.

##### **a) Financial assets at FVTPL**

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

Financial assets at FVTPL are subsequently measured at fair value, and any dividends or interest earned on such financial assets are recognized in other income and interest income, respectively; any remeasurement gains or losses on such financial assets are recognized in other gains or losses. Fair value is determined in the manner described in Note 29.

##### **b) Financial assets at amortized cost**

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

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

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

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

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

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

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

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

c) Investments in equity instruments at FVTOCI

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

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

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

## 2) Impairment of financial assets

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

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

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

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

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

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

## 3) Derecognition of financial assets

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

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

### b. Equity instruments

Debt and equity instruments issued by the 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

All financial liabilities are measured at amortized cost using the effective interest method.

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.

**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 Company'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 USB and USB power delivery controllers for multi-functional devices and platforms. 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, primary responsibility for reselling, and obsolescence risk of the goods.

b. Revenue from the rendering of services

Revenue from product design and licensing 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.

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.

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 in which 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.

## **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. The grant date of the Company issued ordinary shares for cash which are reserved for employees is the date on which the employees are informed.

At the end of each reporting period, the Company revises its estimate of the number of equity instruments that are expected to vest. The impact of the revision of the original estimate 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 the 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 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 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 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. MATERIAL 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 - Write-down of Inventory

The 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 with product sales of a similar nature. Changes in market conditions may have a material impact on the estimation of net realizable value.

## 6. CASH AND CASH EQUIVALENTS

	December 31	
	2024	2023
Cash on hand	\$ 260	\$ 260
Checking accounts and demand deposits	519,389	578,988
Cash equivalents:		
Time deposits	394,748	695,640
Repurchase agreements collateralized by bonds	<u>130,000</u>	<u>100,000</u>
	<u>\$ 1,044,397</u>	<u>\$ 1,374,888</u>

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

	December 31	
	2024	2023
Time deposits	1.50%-4.93%	1.25%-5.80%
Repurchase agreements collateralized by bonds	1.50%	1.30%



## 7. FINANCIAL ASSETS AT FVTPL

	December 31	
	2024	2023
<u>Financial assets at FVTPL - non-current</u>		
Investments in equity instruments at FVTPL		
Overseas unlisted shares	\$ 103,346	\$ 60,113
Domestic private placement convertible bonds	<u>138,149</u>	<u>117,800</u>
	<u>\$ 241,495</u>	<u>\$ 177,913</u>

## 8. FINANCIAL ASSETS AT FVTOCI

	December 31	
	2024	2023
<u>Non-current</u>		
Investments in equity instruments at FVTOCI		
Overseas unlisted shares	\$ -	\$ -
Overseas unlisted equity investments	<u>959,939</u>	<u>778,038</u>
	<u>\$ 959,939</u>	<u>\$ 778,038</u>

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

In accordance with the Q&A issued by the FSC, for the investments in the limited partnership held before June 30, 2023 in which the investment contract stipulates that the limited partnership has a limited duration and whether the duration can be extended is subject to the resolution of partners in the partners' meeting, the Group elected not to retrospectively apply the Q&A "Classification of Investments in a Limited Partnership" issued by the Accounting Research and Development Foundation (ARDF), and therefore the abovementioned investments are still classified as investments in equity instruments at FVTOCI.

## 9. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2024	2023
<u>Current</u>		
Time deposits with original maturities of more than 3 months	<u>\$ 430,000</u>	<u>\$ 310,000</u>
<u>Non-current</u>		
Corporate bonds	<u>\$ 262,464</u>	<u>\$ -</u>

As of December 31, 2024 and 2023, the interest rates of time deposits with original maturities of more than 3 months was ranging from 1.54% to 1.60% and 1.35% to 1.38%.

As of December 31, 2024, the Group held a repurchase agreement with corporate bonds measured at amortized cost, with a face value of \$260,000 thousand. The coupon rate and effective interest rate were 3.70% and 3.58%, respectively.

The Group invests only in debt instruments that are rated the equivalent of investment grade or higher and have low credit risk for the purpose of impairment assessment. The credit rating information is supplied by independent rating agencies. The Group's exposure and the external credit ratings are continuously monitored. The Group reviews changes in bond yields and other publicly available information and makes an assessment whether there has been a significant increase in credit risk since initial recognition. As of December 31, 2024, the Group has assessed that there are no expected credit losses for the aforementioned debt instruments.

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

	December 31	
	2024	2023
<u>At amortized cost</u>		
Accounts receivable		
Accounts receivable	\$ 183,507	\$ 209,124
Accounts receivable - related parties	3,899	494
Less: Allowance for impairment loss	<u>(6,978)</u>	<u>(6,978)</u>
	<u>\$ 180,428</u>	<u>\$ 202,640</u>
Other receivables		
Interest receivable	<u>\$ 8,638</u>	<u>\$ 3,611</u>

#### Receivables

The average credit period of sales of goods was 30 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 which was initially granted to the end of the reporting period. The Company adopted a policy of only dealing with entities that have good credit rating and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. Credit rating information is obtained from publicly available financial information or the Company's own trading records to rate its major customers. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

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

The Company applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provision for all trade receivables. The expected credit losses on accounts receivable 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 forecasted 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, 2024

	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	\$ 187,406	\$ -	\$ -	\$ -	\$ 187,406
Loss allowance (lifetime ECLs)	<u>(6,978)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,978)</u>
Amortized cost	<u>\$ 180,428</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 180,428</u>

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	\$ 209,618	\$ -	\$ -	\$ -	\$ 209,618
Loss allowance (lifetime ECLs)	<u>(6,978)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,978)</u>
Amortized cost	<u>\$ 202,640</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 202,640</u>

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

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

	<u>For the Year Ended December 31</u>	
	<u>2024</u>	<u>2023</u>
Balance, beginning and end of year	<u>\$ 6,978</u>	<u>\$ 6,978</u>

## 11. INVENTORIES

	<u>December 31</u>	
	<u>2024</u>	<u>2023</u>
Finished goods	\$ 82,510	\$ 99,612
Work-in-process	12,250	212,977
Raw materials	<u>35,509</u>	<u>782</u>
	<u>\$ 130,269</u>	<u>\$ 313,371</u>

The cost of inventories recognized as cost of goods sold for the year ended December 31, 2024 were \$105,681 thousand due to write-downs were reversed of inventories and \$2,796 thousand due to obsolescence of inventories, respectively.

The cost of inventories recognized as cost of goods sold for the year ended December 31, 2023 included \$99,850 thousand due to devaluation of inventories and \$8,945 thousand due to obsolescence of inventories, respectively.

## 12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Investment in subsidiaries	\$ 116,254	\$ 25,973
<u>Unlisted equity investments</u>		
VIA Labs USA, Inc.	\$ 12,713	\$ 11,284
VIA Labs (Shenzhen) Co., Ltd.	12,653	10,416
VIA Labs (Beijing), Inc.	4,474	4,273
HuiLink Technologies (Xiamen) Co., Ltd.	86,414	-
	<u>\$ 116,254</u>	<u>\$ 25,973</u>

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

	<b>December 31</b>	
<b>Name of Subsidiaries</b>	<b>2024</b>	<b>2023</b>
VIA Labs USA, Inc.	100.00%	100.00%
VIA Labs (Shenzhen) Co., Ltd.	100.00%	100.00%
VIA Labs (Beijing), Inc.	99.00%	-
HuiLink Technologies (Xiamen) Co., Ltd.	55.00%	-

VIA Labs, Inc. and VIA Technologies (Shenzhen) Co., Ltd. invested RMB20,350 thousand and RMB16,650 thousand, respectively, in March 2024, and established HuiLink Technologies (Xiamen) Co., Ltd. with a 55% and 45% shareholding, respectively.

Refer to Note 33 for the details of the subsidiaries held by the Company.

The investment was accounted for using the equity method and the share of profit or loss and other comprehensive income of this investment was calculated based on financial statements which have been audited. The share of profit or (loss) under the equity method from the subsidiaries of the Company in 2024 and 2023 was \$(3,820) thousand and \$1,751 thousand, respectively. The share of profit or (loss) under the equity method from the subsidiaries of the Company in 2024 and 2023 was as follows:

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
VIA Labs USA, Inc.	\$ 651	\$ 506
VIA Labs (Shenzhen) Co., Ltd.	1,676	1,262
VIA Labs (Beijing), Inc.	(20)	(17)
HuiLink Technologies (Xiamen) Co., Ltd.	(6,127)	-
	<u>\$ (3,820)</u>	<u>\$ 1,751</u>

### 13. PROPERTY, PLANT AND EQUIPMENT

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Carrying amount		
Instrument equipment	\$ 62,064	\$ 84,879
Computer equipment	4,821	9,612
Others	33,694	18,604
Leasehold improvements	<u>1,312</u>	<u>2,408</u>
	<u>\$ 101,891</u>	<u>\$ 115,503</u>

	<b>Instrument Equipment</b>	<b>Computer Equipment</b>	<b>Others</b>	<b>Leasehold Improve- ments</b>	<b>Total</b>
<u>Cost</u>					
Balance at January 1, 2024	\$ 208,561	\$ 35,597	\$ 86,234	\$ 8,865	\$ 339,257
Additions	<u>8,021</u>	<u>525</u>	<u>52,687</u>	<u>762</u>	<u>61,995</u>
Balance at December 31, 2024	<u>216,582</u>	<u>36,122</u>	<u>138,921</u>	<u>9,627</u>	<u>401,252</u>
<u>Accumulated depreciation</u>					
Balance at January 1, 2024	123,682	25,985	67,630	6,457	223,754
Depreciation expenses	<u>30,836</u>	<u>5,316</u>	<u>37,597</u>	<u>1,858</u>	<u>75,607</u>
Balance at December 31, 2024	<u>154,518</u>	<u>31,301</u>	<u>105,227</u>	<u>8,315</u>	<u>299,361</u>
Carrying amounts at December 31, 2024	<u>\$ 62,064</u>	<u>\$ 4,821</u>	<u>\$ 33,694</u>	<u>\$ 1,312</u>	<u>\$ 101,891</u>
<u>Cost</u>					
Balance at January 1, 2023	\$ 142,169	\$ 32,690	\$ 56,540	\$ 7,524	\$ 238,923
Additions	68,868	2,907	29,694	1,341	102,810
Disposal	<u>(2,476)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,476)</u>
Balance at December 31, 2023	<u>208,561</u>	<u>35,597</u>	<u>86,234</u>	<u>8,865</u>	<u>339,257</u>
<u>Accumulated depreciation</u>					
Balance at January 1, 2023	97,148	18,335	37,853	4,949	158,285
Depreciation expenses	29,010	7,650	29,777	1,508	67,945
Disposal	<u>(2,476)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,476)</u>
Balance at December 31, 2023	<u>123,682</u>	<u>25,985</u>	<u>67,630</u>	<u>6,457</u>	<u>223,754</u>
Carrying amounts at December 31, 2023	<u>\$ 84,879</u>	<u>\$ 9,612</u>	<u>\$ 18,604</u>	<u>\$ 2,408</u>	<u>\$ 115,503</u>

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

Instrument equipment	3 years
Computer equipment	3 years
Others	2-5 years
Leasehold improvements	3-4 years

There were no capitalized interests for the years ended December 31, 2024 and 2023.

## 14. LEASE ARRANGEMENTS

### a. Right-of-use assets

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
<u>Carrying amount</u>		
Buildings	<u>\$ 27,241</u>	<u>\$ 40,861</u>
	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Additions to right-of-use assets	<u>\$ -</u>	<u>\$ 40,861</u>
Depreciation charge for right-of-use assets		
Buildings	<u>\$ 13,620</u>	<u>\$ 13,178</u>

Except for the addition and depreciation expense listed above, there was no significant sublease or impairment of the right-of-use assets in 2024 and 2023.

### b. Lease liabilities

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
<u>Carrying amount</u>		
Current	<u>\$ 13,753</u>	<u>\$ 14,694</u>
Non-current	<u>\$ 13,839</u>	<u>\$ 27,458</u>

Range of discount rates for lease liabilities was as follows:

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Buildings	1.60%	1.60%

### c. Material leasing activities and terms

The Company leases certain buildings for use as offices with lease terms of 2 to 3 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

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Expenses relating to short-term leases	<u>\$ 999</u>	<u>\$ 1,355</u>
Total cash outflow for leases	<u>\$ 16,115</u>	<u>\$ 14,842</u>

The Company leases certain office equipment 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.

## 15. INTANGIBLE ASSETS

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Carrying amount		
Computer software	<u>\$ 114,266</u>	<u>\$ 125,742</u>
	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
<u>Cost</u>		
Balance, beginning of year	\$ 323,475	\$ 183,623
Acquisition	80,149	139,852
Decrease	<u>(552)</u>	<u>-</u>
Balance, end of year	<u>403,072</u>	<u>323,475</u>
<u>Accumulated amortization and impairment</u>		
Balance, beginning of year	(197,733)	(142,008)
Amortization	(91,625)	(55,725)
Decrease	<u>552</u>	<u>-</u>
Balance, end of year	<u>(288,806)</u>	<u>(197,733)</u>
Carrying amount, end of year	<u>\$ 114,266</u>	<u>\$ 125,742</u>

The above item of intangible assets are amortized on a straight-line basis over the estimated useful life as follows:

Computer software	2-5 years
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## 16. OTHER ASSETS

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Prepaid expense	\$ 7,709	\$ 8,224
Temporary payment	58	132
Value - added tax receivable	1,479	1,429
Other financial assets - non-current	1,000	37,846
Prepayments for equipment	-	187
Refundable deposits	<u>1</u>	<u>1</u>
	<u>\$ 10,247</u>	<u>\$ 47,819</u>
Current	\$ 9,246	\$ 9,785
Non-current	<u>1,001</u>	<u>38,034</u>
	<u>\$ 10,247</u>	<u>\$ 47,819</u>

The market interest rates of the above other financial assets ranged are 1.69% and 1.57% to 5.00% as of December 31, 2024 and 2023, respectively.

The Company pledged other financial assets as a guarantee for customs duties on imported raw materials, refer to Note 31.

## 17. SHORT-TERM BILLS PAYABLE

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Repurchase agreements collateralized by bonds	<u>\$ 209,993</u>	<u>\$ -</u>

The interest rates and maturity dates of the repurchase agreements collateralized by bonds of the Company were as follows:

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Repurchase agreements collateralized by bonds	<u>\$ 211,007</u>	<u>\$ -</u>
Repurchase agreements collateralized by bonds	2.17%-2.18%	-

The Group agreed to repurchase bond liabilities, including interest, for \$105,500 thousand on January 22, 2025 and \$105,507 thousand on March 12, 2025.

## 18. NOTES AND ACCOUNTS PAYABLE (INCLUDED RELATED PARTIES)

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Notes payable	\$ 48	\$ 11
Accounts payable	68,762	140,050
Accounts payable - related parties	<u>8,076</u>	<u>11,604</u>
	<u>\$ 76,886</u>	<u>\$ 151,665</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

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
<u>Current</u>		
Other payables		
Salaries and bonuses	\$ 306,435	\$ 244,561
Purchase of intangible assets	88,866	91,610
Advertisement	63,174	37,631
Employees' compensation (Note 23)	17,756	38,666
Research and development	17,620	21,453
Professional fees	5,178	6,861
Insurance	4,099	3,950
Pension	3,802	3,728
Remuneration of directors (Note 23)	2,354	2,354
Payables for purchases of equipment	1,345	544
Indemnity	-	-
Others	<u>4,120</u>	<u>1,872</u>
	<u>\$ 514,749</u>	<u>\$ 453,230</u>
Other liabilities		
Advance receipts	\$ 1,066	\$ 9,642
Receipts under custody	<u>12,239</u>	<u>5,447</u>
	<u>\$ 13,305</u>	<u>\$ 15,089</u>

## 20. PROVISIONS

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
<u>Current</u>		
Provisions for allowances and warranty	<u>\$ 7,377</u>	<u>\$ 8,538</u>

Movement of provisions for the years ended December 31, 2024 and 2023 was as follows:

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Balance, beginning of year	\$ 8,538	\$ 4,718
Provisions recognized	-	3,820
Provisions reversal	<u>(1,161)</u>	<u>-</u>
Balance, end of year	<u>\$ 7,377</u>	<u>\$ 8,538</u>

## 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 financial statement of comprehensive income were \$14,944 thousand and \$14,649 thousand, representing the contributions to these plans by the Company at the rates specified in the plans for the years ended December 31, 2024 and 2023, respectively. As of December 31, 2024 and 2023, the amounts of contributions unpaid were \$3,802 thousand and \$3,728 thousand, respectively.

### Defined Benefit Plans

Some employees in the Company are foreigners or transferred from VIA Technology Co., Ltd. The defined benefit plans adopted by the Company in accordance with the Labor Standards Act (LSA) is operated by the government of the ROC. Based on the defined benefit plan under the LSA, pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement.

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

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Present value of defined benefit obligation	\$ (4,961)	\$ (3,437)
Fair value of plan assets	<u>411</u>	<u>300</u>
Deficit	(4,550)	(3,137)
Asset ceiling	<u>-</u>	<u>-</u>
Net defined benefit liabilities	<u>\$ (4,550)</u>	<u>\$ (3,137)</u>
Defined benefit liabilities	<u>\$ 4,550</u>	<u>\$ 3,137</u>

Movements in net defined benefit liability were as follows:

	<b>Present Value of the Defined Benefit Obligation</b>	<b>Fair Value of the Plan Assets</b>	<b>Net Defined Benefit Liability</b>
Balance at January 1, 2023	<u>\$ (3,151)</u>	<u>\$ 213</u>	<u>\$ (2,938)</u>
Service cost			
Current service cost	(89)	-	(89)
Net interest (expense) interest	<u>(55)</u>	<u>4</u>	<u>(51)</u>
Recognized in profit or loss	<u>(144)</u>	<u>4</u>	<u>(140)</u>
			(Continued)

	<b>Present Value of the Defined Benefit Obligation</b>	<b>Fair Value of the Plan Assets</b>	<b>Net Defined Benefit Liability</b>
Remeasurement			
Return on plan assets	\$ -	\$ 1	\$ 1
Actuarial loss - experience adjustments	(57)	-	(57)
Actuarial loss - changes in financial assumptions	(85)	-	(85)
Recognized in other comprehensive income	(142)	1	(141)
Contributions from the employer	-	82	82
Balance at December 31, 2023	(3,437)	300	(3,137)
Service cost			
Current service cost	(94)	-	(94)
Net interest (expense) interest	(47)	4	(43)
Recognized in profit or loss	(141)	4	(137)
Remeasurement			
Return on plan assets	-	24	24
Actuarial loss - experience adjustments	(1,617)	-	(1,617)
Actuarial gain - changes in financial assumptions	234	-	233
Recognized in other comprehensive income	(1,383)	24	(1,359)
Contributions from the employer	-	83	83
Balance at December 31, 2024	<u>\$ (4,961)</u>	<u>\$ 411</u>	<u>\$ (4,550)</u> (Concluded)

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

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
<u>Summary of functions</u>		
Operating costs	\$ -	\$ -
Selling and marketing expenses	-	-
General and administrative expenses	-	-
Research and development expenses	137	140
	<u>\$ 137</u>	<u>\$ 140</u>

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

- Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation.
- Salary risk: The present value of the defined benefit obligation is calculated using the future salaries of plan participants. As such, an increase in the salaries 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:

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Discount rates	1.625%	1.375%
Expected rates of salary increase	4.500%	4.500%

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:

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Discount rates		
0.25% increase	\$ (211)	\$ (156)
0.25% decrease	\$ 234	\$ 166
Expected rates of salary increase		
0.25% increase	\$ 225	\$ 159
0.25% decrease	\$ (214)	\$ (151)

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.

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Expected contributions to the plan for the next year	\$ 63	\$ 39
Average duration of the defined benefit obligation	17.7 years	17.6 years

## 22. EQUITY

### Share Capital

#### Ordinary shares

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Shares authorized (in thousands)	100,000	100,000
Shares authorized, par value of \$10	\$ 1,000,000	\$ 1,000,000
Shares issued and fully paid (in thousands)	69,726	69,074
Shares issued and fully paid	\$ 697,260	\$ 690,740
Advance receipts for share capital	\$ 882	\$ 5,191

As of December 31, 2024 and 2023, employees exercised 51 thousand and 291 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 2024 and 2023, the Company's employees exercised 355 thousand units of share options, and 315 thousand units of share options along with advance receipts for share capital as of December 31, 2023 and 2022 have been registered. As of December 31, 2024 and 2023, the balance of issued and fully paid shares amounted to \$697,260 thousand and \$690,740 thousand, respectively.

### Capital Surplus

	December 31	
	2024	2023
Issuance of ordinary shares (a)	\$ 1,578,821	\$ 1,571,977
Employee share options (b) (Note 26)	<u>2,648</u>	<u>4,291</u>
	<u>\$ 1,581,469</u>	<u>\$ 1,576,268</u>

- Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and to once a year).
- Such capital surplus arises from the effects of changes in ownership interests in subsidiaries resulting from equity transactions other than actual disposals or acquisitions or from changes in capital surplus of subsidiaries accounted for using the equity method.

### Retained Earnings and Dividend Policy

Under the dividends policy as set forth in the amended Articles, if the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan. The board of directors is authorized to adopt a special resolution (more than two-thirds of the directors of the board are present, and more than half of the directors present agree) to distribute dividends and bonuses in cash and a report of such distribution should be submitted in the shareholders' meeting. According to Company Act, distribution of earnings by the issuance of shares should be approved by the shareholders in their meetings. For the policies on the distribution of employees' compensation and remuneration of directors, refer to employees' compensation and remuneration of directors in Note 23-7.

In consideration of the whole environment around the Company, the characteristics of industry development, the interests of shareholders, the capital expenditure budget, and the long-term financial goals, the Company would distribute under than 10% of unappropriated earnings as cash and share dividends, and the sum of cash dividends should be not under than 10% of total dividends.

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.

The appropriations of earnings for 2023 and 2022 were as follows:

	<b>The Appropriation of Earnings</b>		<b>Cash Dividends Per Share (NT\$)</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Legal reserve	\$ 18,043	\$ 72,377	\$ -	\$ -
Special reserve	1,237	5,419	-	-
Cash dividends	138,984	516,735	5.20	7.50

The above appropriation for cash dividends was resolved by the Company's board of directors on March 6, 2024 and March 9, 2023, which were released on May 22, 2024 and May 17, 2023, respectively. The rest proposed appropriations will be resolved by the shareholders in their meeting to be held on June 20, 2024 and June 16, 2023, respectively.

The appropriation of earning for 2024 resolved by the Company's board of directors on March 11, 2025, were as follows:

	<b>Appropriation of Earnings</b>	<b>Cash Dividends Per Share (NT\$)</b>
Legal reserve	\$ 15,611	\$ -
Special reserve	46,592	-
Cash dividends	125,732	1.80

The above appropriation for cash dividends has been resolved by the Company's board of directors, another will be resolved at the general meeting of shareholders be held on June 20, 2025.

## Other Equity

### Exchange differences on translating foreign operations

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Balance, beginning of year	\$ 105	\$ 369
Recognized for the year		
Exchange differences arising on translating the foreign operations	<u>5,170</u>	<u>(264)</u>
Balance, end of year	<u>\$ 5,275</u>	<u>\$ 105</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 loss on financial assets at FVTOCI

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Balance, beginning of year	\$ (28,866)	\$ (27,997)
Recognized for the year		
Unrealized loss - equity instruments	(72,050)	(869)
Income tax effect	<u>20,183</u>	<u>-</u>
Balance, end of year	<u>\$ (80,733)</u>	<u>\$ (28,866)</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.

**23. NET PROFIT FROM CONTINUING OPERATIONS**

a. Interest income

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Interest income		
Bank deposits	\$ 30,887	\$ 32,755
Repurchase agreements collateralized by bonds	1,607	1,262
Corporate bonds	<u>5,796</u>	<u>-</u>
	<u>\$ 38,290</u>	<u>\$ 34,017</u>

b. Other income

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Dividend income	<u>\$ 20,020</u>	<u>\$ -</u>

c. Other gains and losses

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Net gain of financial instruments		
Financial assets at FVTPL	\$ 63,582	\$ 15,061
Net foreign exchange gains	35,583	4,351
Others	<u>10,569</u>	<u>4,254</u>
	<u>\$ 109,734</u>	<u>\$ 23,666</u>

d. Finance costs

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Interest on repurchase agreements collateralized by bonds	\$ 2,758	\$ -
Interest on lease liabilities	<u>556</u>	<u>116</u>
	<u>\$ 3,314</u>	<u>\$ 116</u>

e. Depreciation and amortization

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Property, plant and equipment	\$ 75,607	\$ 67,945
Right-of-use assets	13,620	13,178
Intangible assets	<u>91,625</u>	<u>55,725</u>
	<u>\$ 180,852</u>	<u>\$ 136,848</u>
An analysis of depreciation by function		
Operating costs	\$ 570	\$ 896
Operating expenses	<u>88,657</u>	<u>80,227</u>
	<u>\$ 89,227</u>	<u>\$ 81,123</u>
An analysis of amortization by function		
Operating costs	\$ -	\$ 80
Operating expenses	<u>91,625</u>	<u>55,645</u>
	<u>\$ 91,625</u>	<u>\$ 55,725</u>

f. Employee benefits expense

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Short-term benefits	\$ 462,440	\$ 436,295
Post-employment benefits		
Defined contribution plans	14,944	14,649
Defined benefit plans (Note 21)	<u>137</u>	<u>140</u>
	<u>15,081</u>	<u>14,789</u>
Share-based payment (Note 26)	<u>354</u>	<u>550</u>
Total employee benefits expense	<u>\$ 477,875</u>	<u>\$ 451,634</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 14,311	\$ 14,429
Operating expenses	<u>463,564</u>	<u>437,205</u>
	<u>\$ 477,875</u>	<u>\$ 451,634</u>



g. Employees' compensation and remuneration of directors

According to the Company's Articles, the Company accrues employees' compensation and remuneration of directors at rates of no less than 5% and no higher than 1%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors. The employees' compensation and the remuneration of directors for the years ended December 31, 2024 and 2023, which were approved by the Company's board of directors on March 11, 2025 and March 6, 2024, respectively, are as follows:

Accrual rate

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Employees' compensation	8.64%	8.57%
Remuneration of directors	0.44%	0.39%

Amount

	<b>For the Year Ended December 31</b>			
	<b>2024</b>		<b>2023</b>	
	<b>Cash</b>	<b>Shares</b>	<b>Cash</b>	<b>Shares</b>
Employees' compensation	\$ 17,500	\$ -	\$ 20,000	\$ -
Remuneration of directors	900	-	900	-

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

There was no difference between the amounts of the employees' compensation and the remuneration of directors paid and the amounts recognized in the parent company only financial statements for the years ended December 31, 2023 and 2022.

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

h. Reversal (write-down) of and obsolescence of inventories

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Reversal (write-down) of and obsolescence of inventories	<u>\$ 102,885</u>	<u>\$ (108,795)</u>

## 24. INCOME TAXES RELATING TO CONTINUING OPERATIONS

### a. Income tax recognized in profit or loss

The major components of tax expense were as follows:

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Current tax		
In respect of the current year	\$ (1,727)	\$ (52,849)
Adjustments for prior years	5,330	861
Deferred tax		
In respect of the current year	<u>(30,471)</u>	<u>19,970</u>
Income tax expense recognized in profit or loss	<u>\$ (26,868)</u>	<u>\$ (32,018)</u>

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

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Profit before tax from continuing operations	<u>\$ 184,116</u>	<u>\$ 212,587</u>
Income tax expense calculated at the statutory rate (20%)	\$ (36,823)	\$ (42,517)
Tax-exempt income	3,306	2,770
Unrealized deductible temporary differences	579	(5,132)
Investment credits	740	12,000
Adjustments for prior years' tax	<u>5,330</u>	<u>861</u>
Income tax expense recognized in profit or loss	<u>\$ (26,868)</u>	<u>\$ (32,018)</u>

### b. Income tax recognized in other comprehensive income

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Deferred tax		
Remeasurement of defined benefit plans	\$ 218	\$ -
Unrealized gain or loss on investments in equity instruments at fair value through other comprehensive income	<u>20,183</u>	<u>-</u>
	<u>\$ 20,401</u>	<u>\$ -</u>

### c. Current tax assets and liabilities

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Current tax liabilities		
Income tax payable	<u>\$ 24,304</u>	<u>\$ 81,683</u>

d. Deferred tax assets and liabilities

The movements of deferred tax assets and liabilities were as follows:

For the year ended December 31, 2024

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
<u>Deferred tax assets</u>				
Temporary differences				
Unrealized gain on reversal of inventories provision for the decline in inventory value	\$ 94,024	\$(21,137)	\$ -	\$ 72,887
Defined benefit plan	-	-	218	218
Financial assets at FVTOCI	-	-	20,183	20,183
	<u>\$ 94,024</u>	<u>\$(21,137)</u>	<u>\$ 20,401</u>	<u>\$ 93,288</u>
<u>Deferred tax liabilities</u>				
Temporary differences				
FVTPL financial assets	<u>\$ -</u>	<u>\$ 9,334</u>	<u>\$ -</u>	<u>\$ 9,334</u>

For the year ended December 31, 2023

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
<u>Deferred tax assets</u>				
Temporary differences				
Unrealized gain on reversal of inventories provision for the decline in inventory value	<u>\$ 74,054</u>	<u>\$ 19,970</u>	<u>\$ -</u>	<u>\$ 94,024</u>

e. Income tax assessments

The Company's tax returns for the year through 2022 have been assessed and approved by the tax authorities.

## 25. EARNINGS PER SHARE

Unit: NT\$ Per Share

	<u>For the Year Ended December 31</u>	
	<u>2024</u>	<u>2023</u>
Basic earnings per share	<u>\$ 2.26</u>	<u>\$ 2.62</u>
Diluted earnings per share	<u>\$ 2.23</u>	<u>\$ 2.57</u>

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

### Net Profit for the Year

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Profit for the year attributable to owners of the Company	<u>\$ 157,248</u>	<u>\$ 180,569</u>

### Shares

	<b>Unit: In Thousands of Shares</b>	
	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Weighted average number of ordinary shares used in the computation of basic earnings per share	69,616	69,021
Effect of potentially dilutive ordinary shares		
Employees' compensation or bonuses issued to employees	151	137
Employee share options	<u>610</u>	<u>986</u>
Weighted average number of ordinary shares used in computation of diluted earnings per share	<u>70,377</u>	<u>70,144</u>

## 26. SHARE-BASED PAYMENT ARRANGEMENTS

### Employee Share Option Plan of the Company

Qualified employees of the Company were granted 3,000 thousand options on December 4, 2019. 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.

<b>Years from the Grant Date</b>	<b>Accumulated Subscription Percentage</b>
2	50%
3	75%
4	100%

The options were granted at an exercise price of NT\$20 per unit. For any subsequent changes in the Company's capital, the exercise price is adjusted accordingly.

Information on employee share options was as follows:

	For the Year Ended December 31			
	2024		2023	
	Number of Options (In Thousands)	Weighted- average Exercise Price (NT\$)	Number of Options (In Thousands)	Weighted- average Exercise Price (NT\$)
Balance, beginning of year	1,077	\$ 17.48	1,731	\$ 18.13
Options exercised	(406)	17.38	(612)	17.74
Options expired	-	-	(42)	17.48
Balance, end of year	<u>671</u>	17.30	<u>1,077</u>	17.48
Options exercisable, end of year	<u>671</u>	17.30	<u>1,077</u>	17.48

Note: The exercise price of employee share options was NT\$20 on the grant date in 2019. The adjustment of exercise price was due to the cash dividends distribution in 2023, 2022 and 2021, respectively, and the issuance of ordinary shares for cash in 2020. As of December 31, 2024, the exercise price was NT\$17.30.

Information on outstanding options was as follows:

	December 31	
	2024	2023
Range of exercise price (NT\$)	\$17.30	\$17.48
Weighted-average remaining contractual life (in years)	4.92 years	5.92 years

Options granted were priced using the Black-Scholes option pricing model, and the inputs to the model were as follows:

	December 2019
Grant-date share price (NT\$)	\$13.69
Exercise price (NT\$)	\$20.00
Expected volatility	37.32%-37.66%
Expected life (in years)	4.5-5.5 years
Risk-free interest rate	0.58%-0.60%

The information on expected volatility of the aforementioned options was based on expected life and the average of annual standard deviation of returns in similar company.

The Company recognized on the costs of employee share option plan were \$354 thousand and \$550 thousand for the years ended December 31, 2024 and 2023, respectively.

## 27. NON-CASH TRANSACTIONS

The Company's acquisition of property, plant and equipment in the amounts of \$1,345 thousand and \$544 thousand were not yet paid as of December 31, 2024 and 2023, respectively. In addition, the Company's acquisition of intangible assets - computer software in the amounts of \$88,866 thousand and \$91,610 thousand were not yet paid as of December 31, 2024 and 2023, respectively.

## 28. CAPITAL MANAGEMENT

The Company manages its capital to ensure the entities in the Company 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 2023.

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

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

## 29. FINANCIAL INSTRUMENTS

### Fair Value of Financial Instruments

#### a. Financial instruments not measured at fair value

The management considers that, with the exception of the following, the carrying amounts of financial assets and financial liabilities not measured at fair value were approximate amounts of their fair value. The fair value is not disclosed.

December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at amortized cost - non-current				
Corporate bonds	\$ -	\$ 262,755	\$ -	\$ 262,755

#### 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, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Overseas unlisted shares	\$ -	\$ -	\$ 103,346	\$ 103,346
Domestic private placement convertible bonds	<u>-</u>	<u>-</u>	<u>138,149</u>	<u>138,149</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 241,495</u>	<u>\$ 241,495</u>
Financial assets at FVTOCI				
Overseas unlisted shares	\$ -	\$ -	\$ -	\$ -
Overseas unlisted equity investments	<u>-</u>	<u>-</u>	<u>959,939</u>	<u>959,939</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 959,939</u>	<u>\$ 959,939</u>

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Overseas unlisted shares	\$ -	\$ -	\$ 60,113	\$ 60,113
Domestic private placement convertible bonds	<u>-</u>	<u>-</u>	<u>117,800</u>	<u>117,800</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 177,913</u>	<u>\$ 177,913</u>
Financial assets at FVTOCI				
Overseas unlisted equity investments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 778,038</u>	<u>\$ 778,038</u>

There were no transfers between Levels 1 and 2 for the years ended December 31, 2024 and 2023.

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

For the year ended December 31, 2024

	Financial Assets at FVTPL	Financial Assets at FVTOCI
Balance, beginning of year	\$ 177,913	\$ 778,038
Addition	-	253,951
Recognized in profit or loss (included in other gains and losses)	63,582	-
Recognized in other comprehensive income (included in unrealized loss on financial assets at FVTOCI)	<u>-</u>	<u>(72,050)</u>
Balance, end of year	<u>\$ 241,495</u>	<u>\$ 959,939</u>

For the year ended December 31, 2023

	<b>Financial Assets at FVTPL</b>	<b>Financial Assets at FVTOCI</b>
Balance, beginning of year	\$ 162,446	\$ 638,794
Addition	-	140,113
Recognized in profit or loss (included in other gains and losses)	15,467	-
Recognized in other comprehensive income (included in unrealized loss on financial assets at FVTOCI)	<u>-</u>	<u>(869)</u>
Balance, end of year	<u>\$ 177,913</u>	<u>\$ 778,038</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

<b>Financial Instrument</b>	<b>Valuation Technique and Inputs</b>
Financial assets at amortized cost - bonds	The fair value is determined based on publicly available market quotes provided by third-party institutions.

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

<b>Financial Instruments</b>	<b>Valuation Techniques and Inputs</b>
Domestic and overseas unlisted shares	Market approach: The fair value is measured by the share price and liquidity of similar listed company.
Domestic and overseas unlisted equity investments	Income approach: The fair value is measured by the capitalized or discounted projected income.
Domestic private placement 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	
	2024	2023
<u>Financial assets</u>		
Financial assets at amortized cost (Note 1)	\$ 1,926,928	\$ 1,928,986
Financial assets at FVTPL	241,495	177,913
Financial assets at FVTOCI		
Equity instruments	959,939	778,038
<u>Financial liabilities</u>		
Financial liabilities at amortized cost (Note 2)	801,628	604,895

Note 1: The balances included financial assets measured at amortized cost, which comprised cash and cash equivalents, time deposits with original maturities of more than three months, accounts receivable (including related parties), other receivables, debt instruments measured at amortized cost, other financial assets and refundable deposits.

Note 2: The balances included financial liabilities measured at amortized cost, which comprised short-term bills payable, notes payables and accounts payables (including related parties) and other payables (including related parties).

### Financial Risk Management Objectives and Policies

The Company's financial instruments mainly include equity and debt investments, accounts receivable, accounts payable and lease liability. The Company's Department of Finance and Accounting provides services to the business, coordinates access to domestic and international financial markets, and monitors and manages the financial risks relating to the operations of the Company through internal risk reports that analyze 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 hedges risk through derivative financial instruments to mitigate the impact of such risks. The use of derivative financial instruments is governed by the policies adopted by the board of directors of the company, which are written principles for investment in exchange rate risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments and remaining 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 32.

Sensitivity analysis

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

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. 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 is 2 %. The sensitivity analysis included only outstanding foreign currency denominated monetary items and foreign exchange forward contracts adjusts their translation at the end of the reporting period for a 2% change in foreign currency rates. A positive number below indicates an increase in pre-tax profit and other equity associated with the New Taiwan dollar strengthening 2% against the relevant currency. For a 2% weakening of the New Taiwan dollar against the relevant currency, there would be an equal and opposite impact on pre-tax profit and other equity, and the balances below would be negative.

	<b>Currency USD Impact</b>		<b>Currency RMB Impact</b>	
	<b>For the Year Ended December 31</b>	<b>For the Year Ended December 31</b>	<b>For the Year Ended December 31</b>	<b>For the Year Ended December 31</b>
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Profit or loss	\$ 3,851	\$ 8,314	\$ 2,071	\$ 294

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.

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Fair value interest rate risk		
Financial assets	\$ 1,218,212	\$ 1,143,486
Financial liabilities	237,585	42,152

### Sensitivity analysis

The financial assets exposed to interest rate risk were mainly certificates of time deposits and repurchase agreements collateralized by bonds. Because the interest rate was determined when depositing, the abovementioned financial assets 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.

#### 3) Other price risk

The Company was exposed to price risk through its investments in equity securities and convertible bonds. Equity investments are held for strategic rather than for trading purposes; the Company does not actively trade these investments.

### Sensitivity analysis

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

If equity prices had been 10% higher/lower, the profit before tax for the years ended December 31, 2024 and 2023 would have increased/decreased by \$24,150 thousand and \$17,791 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL, and the other comprehensive income before tax for the years ended December 31, 2024 and 2023 would have increased/decreased by \$95,994 thousand and \$77,803 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

#### b. Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. As at the end of the year, the Company's maximum exposure to credit risk, which would cause a financial loss to the Company due to failure of counterparty to discharge its obligation and financial guarantees provided by the Company, could be equal to the carrying amount of the respective recognized financial assets as stated in the parent company only balance sheets.

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 deals 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 Company annually.

Accounts receivable from four largest customers amounted to \$117,015 thousand and \$112,379 thousand as of December 31, 2024 and 2023, respectively. The Company's concentration of credit risk of 62% and 54% of total accounts receivable as of December 31, 2024 and 2023, respectively, was attributable to the four 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.

The following table detailed the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Company can be required to pay. The tables included both interest and principal cash flows.

December 31, 2024

	Effective Interest Rate (%)	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years	Total
<u>Non-derivative financial liabilities</u>							
Non-interest bearing	-	\$ 106,149	\$ 196,861	\$ 288,625	\$ -	\$ -	\$ 591,635
Lease liabilities	1.60	1,297	2,326	10,469	13,959	-	28,051
Fixed interest rate liabilities	2.17-2.18	<u>105,500</u>	<u>105,507</u>	-	-	-	<u>211,007</u>
		<u>\$ 212,946</u>	<u>\$ 304,694</u>	<u>\$ 299,094</u>	<u>\$ 13,959</u>	<u>\$ -</u>	<u>\$ 830,693</u>

December 31, 2023

	Effective Interest Rate (%)	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years	Total
<u>Non-derivative financial liabilities</u>							
Non-interest bearing	-	\$ 87,320	\$ 248,971	\$ 268,604	\$ -	\$ -	\$ 604,895
Lease liabilities	1.60	<u>2,454</u>	<u>2,326</u>	<u>10,469</u>	<u>27,918</u>	-	<u>43,167</u>
		<u>\$ 89,774</u>	<u>\$ 251,297</u>	<u>\$ 279,073</u>	<u>\$ 27,918</u>	<u>\$ -</u>	<u>\$ 648,062</u>

### 30. RELATED-PARTY TRANSACTIONS

The Company's parent is VIA Technology Inc., which held 55.99% and 56.49% of the ordinary shares of the Company on December 31, 2024 and 2023, respectively.

Besides information disclosed elsewhere in the other notes, details of transactions between the Company and other related parties are disclosed as follows.

a. The names and relationships of related parties

<u>Related Party</u>	<u>Related Party Category</u>
VIA Technologies, Inc.	Parent
Vate Technology Co., Ltd.	Sister
VIA Technologies, Inc. (USA)	Sister
VIA Next Technologies, Inc.	Sister
Xander International Corp.	Other related party
HTC Corporation	Other related party
APEX (TWN) International Co., Ltd.	Other related party
VIA Labs USA, Inc.	Subsidiary
VIA Labs (Shenzhen) Co., Ltd.	Subsidiary
HuiLink Technologies (Xiamen) Co., Ltd.	Subsidiary

b. Operating transactions

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
<u>Sales</u>		
Parent	\$ 491	\$ 8
Subsidiary	4,115	-
Other related party	<u>1,301</u>	<u>1,727</u>
	<u>\$ 5,907</u>	<u>\$ 1,735</u>

Selling prices and terms of credit to related parties are similar with other regular sales.

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
<u>Other operating income</u>		
Sister - VIA Next Technologies, Inc.	\$ -	\$ 145

The Company entered into technical service contract with the above related party. The revenue recognized under other operating income is calculated according to the contract.

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

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Parent	\$ 100	\$ 8
Subsidiary	3,643	-
Other related party	<u>156</u>	<u>486</u>
	<u>\$ 3,899</u>	<u>\$ 494</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:

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Sister	<u>\$ 8,076</u>	<u>\$ 11,604</u>

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

c. Lease arrangements - the Company is lessee

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
<u>Acquisition of right-of-use assets</u>		
Parent - VIA Technologies, Inc.	\$ -	\$ 40,861
	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
<u>Lease liabilities</u>		
Parent - VIA Technologies, Inc.	\$ 27,592	\$ 42,152
	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
<u>Interest expense</u>		
Parent - VIA Technologies, Inc.	\$ 556	\$ 116
<u>Lease expense</u>		
Parent - VIA Technologies, Inc.	\$ 357	\$ 721

The Company rented the offices and parking lots from the above related parties. Rental prices were determined based on the prevailing rates in the surrounding area.

d. Acquisition of assets

	<b>Purchase Price</b>	
	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
<u>Instrument equipment</u>		
Parent	\$ -	\$ 376
Sister	400	82
	\$ 400	\$ 458
<u>Computer equipment</u>		
Sister - VIA Technologies, Inc.	\$ 84	\$ -
<u>Leased improvements</u>		
Other related party - APEX (TWN) International Co., Ltd.	\$ 667	\$ -

e. Compensation of key management personnel

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Short-term benefits	\$ 51,963	\$ 33,778
Share-based payment	-	132
Post-employment benefits	648	630
Other benefits	<u>140</u>	<u>140</u>
	<u>\$ 52,751</u>	<u>\$ 34,680</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) Packaging and testing cost

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Sister	<u>\$ 32,735</u>	<u>\$ 30,530</u>

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

2) Research expense

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Parent	\$ 9,141	\$ 11,975
Subsidiaries	55,785	59,637
Sister	7,750	7,766
Other related party	<u>266</u>	<u>382</u>
	<u>\$ 72,942</u>	<u>\$ 79,760</u>

The research expense mainly included testing cost, professional fee, the expenditure of EDA and consumables.

3) Professional fees

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Parent - VIA Technologies, Inc.	<u>\$ 15,160</u>	<u>\$ 16,357</u>

The Company entered into service agreements with VIA Technologies, Inc. to receive management consulting and technical support services. The expenses based on these agreements are recognized as professional fees.

4) Other payables

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Parent	\$ 3,711	\$ 4,255
Subsidiaries	13,460	13,843
Sister	1,521	1,999
Other related party	<u>597</u>	<u>368</u>
	<u>\$ 19,289</u>	<u>\$ 20,465</u>

5) Receipts under custody

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Subsidiaries	<u>\$ 136</u>	<u>\$ 166</u>

### 31. PLEDGED ASSETS

The following asset of the Company are provided as collateral for customs duties on imported raw materials:

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Pledged time deposits (classified as other financial assets - non-current)	<u>\$ 1,000</u>	<u>\$ 37,846</u>

### 32. 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 of the entities in the Company and the related exchange rates between foreign currencies and respective functional currencies were as follows:

December 31, 2024

	<b>Foreign Currency</b>	<b>Exchange Rate</b>
<u>Financial assets</u>		
Monetary items		
USD	\$ 11,441	32.79
Investments accounted for using the equity method		
USD	388	32.79
RMB	22,703	4.56
<u>Financial liabilities</u>		
Monetary items		
USD	5,957	32.79



December 31, 2023

	<b>Foreign Currency</b>	<b>Exchange Rate</b>
<u>Financial assets</u>		
Monetary items		
USD	\$ 18,511	30.71
Investments accounted for using the equity method		
USD	367	30.71
RMB	3,385	4.34

Financial liabilities

Monetary items		
USD	5,342	30.71

The significant realized and unrealized foreign exchange gains (including realized and unrealized) were as follows:

Foreign Currency	For the Year Ended December 31			
	2024		2023	
	Exchange Rate	Net Foreign Exchange Gain	Exchange Rate	Net Foreign Exchange Gain
USD	31.16 (USD:NTD)	\$ 35,628	31.16 (USD:NTD)	\$ 4,353

### 33. SEPARATELY DISCLOSED ITEMS

Information on significant transactions and information on investees:

- a. Financing provided: None
- b. Endorsements/guarantees provided to others: None
- c. Marketable securities held (excluding investment in subsidiaries, associates and joint ventures): Table 1
- d. Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital: Table 2
- e. Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital: None
- f. Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital: None
- g. Total purchases from or sales to related parties of at least NT\$100 million or 20% of the paid-in capital: None
- h. Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None

- i. Information on derivative instruments: None
- j. Information on investees: Table 3

Information on investments in mainland China:

- a. 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, shareholding ratio, investment gain or loss, carrying amount of the investment at the end of the period, repatriated investment gains, and limit on the amount of investment in the mainland China area: Table 4
- b. 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 4
  - 1) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
  - 2) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
  - 3) The amount of property transactions and the amount of the resultant gains or losses.
  - 4) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
  - 5) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.
  - 6) 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.
- c. 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 5

### **34. SEGMENT INFORMATION**

Please refer to the consolidated financial statements for the year ended December 31, 2024.

**TABLE 1**

**VIA LABS, INC. AND SUBSIDIARIES**

**MARKETABLE SECURITIES HELD  
DECEMBER 31, 2024  
(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, 2024				Note
				Number of Shares (In Thousands)	Carrying Amount	Percentage of Ownership (%)	Fair Value	
VIA Labs, Inc.	<u>Unlisted company</u> EverPro (Wuhan) Technologies Company Ltd.	None	Financial assets at fair value through profit or loss - non-current	4,528	\$ 103,346	2.20	\$ 103,346	
	KikaGo Limited	None	Financial assets at fair value through other comprehensive income - non-current	2	-	19.05	-	
	<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	-	249,776	1.27	249,776	
	Ally Bridge Group-CMRCO., L.P.	None	Financial assets at fair value through other comprehensive income - non-current	-	130,843	11.39	130,843	
	SMART Growth Fund, L.P.	None	Financial assets at fair value through other comprehensive income - non-current	-	193,590	1.72	193,590	
	10D Fund II L.P.	None	Financial assets at fair value through other comprehensive income - non-current	-	18,498	1.09	18,498	
	10D Opportunity Fund I LP.	None	Financial assets at fair value through other comprehensive income - non-current	-	35,049	6.63	35,049	
	ACHI Capital Partners Fund L.P.	None	Financial assets at fair value through other comprehensive income - non-current	-	332,183	5.78	332,183	
	<u>Convertible bonds</u> Ennoconn Corporation	None	Financial assets at fair value through profit or loss - non-current	1	138,149	-	138,149	
	<u>Bonds</u> Cathay Life Insurance Co., Ltd. Unsecured Subordinated Accumulating Corporate Bonds	None	Financial assets at amortized cost - non-current	-	131,225	-	131,894	
	Fubon Life Insurance Co., Ltd. Unsecured Subordinated Accumulating Corporate Bonds	None	Financial assets at amortized cost - non-current	-	131,239	-	130,861	

**TABLE 2**

**VIA LABS, INC. AND SUBSIDIARIES**

**MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL  
DECEMBER 31, 2024  
(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 (In Thousands)	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
VIA Labs, Inc.	ACHI Capital Partners Fund L.P.	Financial assets at fair value through other comprehensive income - non-current	ACHI Capital Partners Fund L.P.	-	-	\$ 141,321	-	\$ 201,227	-	\$ -	\$ -	\$ -	-	\$ 332,183

TABLE 3

VIA LABS, INC. AND SUBSIDIARIES

INFORMATION ON INVESTEEES  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(In Thousands of New Taiwan Dollars/Shares)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2024			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 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	\$ 12,713	\$ 651	\$ 651	\$ -	\$ -	

Note: Information on the investment in mainland China is disclosed on Table 4.

**TABLE 4**

**VIA LABS, INC. AND SUBSIDIARIES**

**INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

1. Information on any investee company in mainland China:

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type	Accumulated Outflow of Investment from Taiwan as of January 1, 2024	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2024	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Income (Loss) Recognized	Carrying Value as of December 31, 2024	Accumulated Inward Remittance of Earnings as of December 31, 2024
					Outflow	Inflow						
VIA Labs (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	\$ 1,676	100.00	\$ 1,676	\$ 12,653	\$ -
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	(20)	99.00	(20)	4,474	-
HuiLink Technologies (Xiamen) Co., Ltd.	Integrated circuits chip testing and technical support	166,877	Direct investment in company located in mainland China through VIA Labs, Inc.		89,133		89,133	(11,140)	55.00	(6,127)	86,414	-

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

Accumulated Outflow for Investment in Mainland China as of December 31, 2024	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on Investment
\$ 357,710 (RMB 76,407)	\$ 379,050 (RMB 81,391)	\$ 1,699,636

Note 1: As of December 31, 2024, the amount of the accumulated outflow of investment in mainland China and the investment amount authorized by the Investment Commission, MOEA were included in the amount of investment of NT\$187,373 thousand and NT\$208,713 thousand in EverPro Technologies Company Ltd., which was renamed as EverPro (Wuhan) Technologies Joint Stock Limited Company in December 2021, and the investment was accounted for as financial assets at fair value through profit or loss - non-current.

Note 2: As of December 31, 2024, the amount of the accumulated outflow of investment in mainland China and the investment amount authorized by the Investment Commission, MOEA were included in the indirect amount of investment of NT\$462 thousand in Shenzhen KikaGO Limited through KikaGo Limited, which was accounted for as financial assets at fair value through other comprehensive income - non-current.

(Continued)

- Note 3: As of December 31, 2024, the amount of \$52,879 thousand of accumulated outflow for investment in mainland China and the investment amount authorized by the Investment Commission, MOEA were invested in Xiamen ACHI Capital Partners Fund L.P. through investment in ACHI Capital Partners Fund L.P. in the third area, which is accounted for under financial assets at fair value through other comprehensive income - non-current.
- Note 4: As of December 31, 2024, the amount of \$314 thousand of accumulated outflow for investment in mainland China and the investment amount authorized by the Investment Commission, MOEA were invested in Xiamen ACHI Capital Partners Fund L.P. through investment in ACHI Capital Partners Fund L.P. in the third area, which is accounted for under financial assets at fair value through other comprehensive income-non-current.
- Note 5: As of December 31, 2024, the amount of \$18,655 thousand of accumulated outflow for investment in mainland China and the investment amount authorized by the Investment Commission, MOEA were invested in Xiamen ACHI Capital Partners Fund L.P. through investment in ACHI Capital Partners Fund L.P. in the third area, which is accounted for under financial assets at fair value through other comprehensive income - non-current.
- Note 6: The net equity value of HuiLink Technologies (Xiamen) Co., Ltd. at the end of the period was \$86,616 thousand, and the difference between the net equity value and the carrying value of the investment was due to downstream transactions.
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: Refer to the consolidated financial statements Table 3.
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 5****VIA LABS, INC.****INFORMATION OF MAJOR SHAREHOLDERS  
DECEMBER 31, 2024**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
VIA Technologies, Inc.	38,843,000	55.67

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



**VIA Labs, Inc.**

**Chairman Wen-Chi Chen**