

**VisEra Technologies Company Ltd.**  
**2024 Annual Shareholders' Meeting Minutes**

(This document is prepared in accordance with the Chinese version and is for reference only. In the event of any inconsistency between the English version and the Chinese version, the Chinese version shall prevail.)

Time: 09:00 a.m., May 22, 2024

Meeting type : Physical shareholders' meeting

Location: 2F, No. 1, Gongye E. 2nd Rd., Hsinchu City, Hsinchu Science Park(Einstein Hall, Science Park Life Hub)

Total outstanding VisEra shares: 316,951,119 shares

Total shares represented by shareholders present in person or by proxy: 240,345,213 shares

Percentage of shares held by shareholders present in person or by proxy: 75.83%

Directors present: Chairman Robert Kuan, Independent Director Laura Huang, Independent Director Peng-Heng Chang, Independent Director Emma Chang, Independent Director Han-Fei Lin

Chairman: Robert Kuan, the Chairman of the Board of Directors

Recorder: Jane Chen

The aggregate shareholding of the shareholders present in person or by proxy constituted a quorum. The Chairman called the meeting to order.

**I. Chairman Remarks (omitted)**

**II. Reports Items**

- (I) To report the business of 2023 (Attachment 1)
- (II) Audit Committee's Review Report (Attachment 2)
- (III) To report 2023 Allocation of remuneration to directors and employees

Explanation: :

- (1) The proposal for 2023 allocation of the remuneration to employees and directors has been approved per the resolution of the Board of Directors on February 21, 2024. Said remuneration will be allocated in cash in whole.



- (2) The remuneration to employees and directors was NT\$71,216,067 and NT\$3,240,000 to be allocated in cash in whole, which is not different from those stated in 2023.

### III. Matters for Ratification

- (I) Adoption of the 2023 Business Report and Financial Statements. (Proposed by the board of directors)

Explanation:

- (1) The 2023 Financial Statements of the company include the balance sheet, statement of comprehensive income, statement of changes in equity, and cash flow statement, which were audited by Shang-Chih Lin and Ming-Yuan Chong, CPA of Deloitte Taiwan.
- (2) Please refer to Attachment 1 and Attachment 3 for the 2023 Business Report, CPA audit report and the aforementioned financial statements.

Voting Results:

Shares represented at the time of voting: 240,343,213 votes

Voting Results*	% of the total represented share present
Votes in favor: 239,112,077 votes	99.48%
Votes against: 37,329 votes	0.01%
Votes invalid: 0 votes	0.00%
Votes abstained: 1,193,807votes	0.49%

RESOLVED, that the 2023 Business Report and Financial Statements be and hereby were accepted as submitted.

- (II) Adoption of 2023 Earnings Distribution. (Proposed by the board of directors)

Explanation:

- (1) According to the Company Act, after the end of each fiscal year, the Board of Directors shall prepare the proposal of the profit distribution, or loss appropriation and submit the same to the regular shareholders' meeting for acceptance.
- (2) The company's distributable earnings in 2022 were NT\$320,472,302. NT\$316,724,119 of the retained earnings are to be distributed as common share cash dividend. The Company has issued 316,724,119 common shares on January 31, 2024, so the cash dividend for each share is NT\$1.
- (3) Please refer to Attachment 4 for the 2024 Earnings Distribution Table.



- (4) The current cash dividends are calculated and truncated to the nearest NT\$ at the distribution ratio. The fractional amount less than NT\$1 is summed up and recognized by the Company as other revenue.
- (5) Upon approval of the cash dividends to be distributed by the shareholders' meeting, the Chairman, who was authorized by the Board of Directors, will have the authorization to set the record date for the distribution of dividends, and distribute the cash dividends separately. If the Company buys back the Company's shares, transfers or cancels treasury stocks, makes new issues of its shares due to employees' exercise of stock warrants, issues or recalls restricted share awards (RSAs) and issues new shares upon capital increase in cash, and engages in any other activities, in any other way, causes changes to the number of the Company's outstanding shares on a later date, the Chairman of Board is also authorized to adjust the distribution ratio per share and other relevant matters.

#### Voting Results:

Shares represented at the time of voting: 240,343,213 votes

Voting Results*	% of the total represented share present
Votes in favor: 239,073,421 votes	99.47%
Votes against: 82,380 votes	0.03%
Votes invalid: 0 votes	0.00%
Votes abstained: 1,187,412 votes	0.49%

RESOLVED, that the Proposal for Earnings Distribution of 2023 Profits be and hereby was accepted as submitted.

#### IV. Elections

- (I) Fully re-elected 7 directors (including 4 independent directors) (proposed by the Board of Directors)

##### Explanation:

- (1) The term of office of the incumbent directors of the Company expired on March 3, 2024. According to Article 195 of the Company Act, the term of office of the directors may be extended until the re-elected directors take office. Re-election of directors shall take place at the 2024 general shareholders' meeting.
- (2) A total of seven directors (including four independent directors) will be elected for the ninth board of directors in accordance with Article 11 of the Articles of Incorporation.



- (3) The proposal has been approved by the Board of Directors on February 21, 2024. Please refer to the following table for the list of director candidates approved at the meeting.
- (4) The new directors will assume office immediately after being elected for a term of three years from May 22, 2024 to May 21, 2027. The original directors will be discharged after the election of the new directors.



Name	Education	Experience	Current position	Name of the corporate entity represented	Nominee types	Whether having held the position as independent director for three terms of office consecutively /reasons	No. of shares held
Robert Kuan	Master of Materials Science and Engineering, National Tsing Hua University	TSMC-Plant Manager  SSMC -VP of Operations	The Company's Chairman and CEO	Taiwan Semiconductor Manufacturing Co., Ltd.	Director	Not applicable.	213,619,000
George Liu	Master of Electrical Engineering, Arizona State University	Vanguard International Semiconductor Corporation - Vice President  Intel Corporation - Director	Senior Director, Business Development Division, TSMC	Taiwan Semiconductor Manufacturing Co., Ltd.	Director	Not applicable.	213,619,000
David Liu	Master's Degree, Princeton University	Strategy and Investor Relations, PDD Holdings Inc. - Vice President  Strategic Development,	Strategic Investment Management Division, TSMC - Director  Furenho Asset Management Co., Ltd. -	Taiwan Semiconductor Manufacturing Co., Ltd.	Director	Not applicable.	213,619,000



Name	Education	Experience	Current position	Name of the corporate entity represented	Nominee types	Whether having held the position as independent director for three terms of office consecutively /reasons	No. of shares held
		Shanghai YI Technology - Vice President  Goldman Sachs (Asia) L.L.C., Taipei Branch - General Manager  Goldman Sachs (Asia) L.L.C. – Managing Director	Director				
Laura Huang	MBA, University of Missouri	UBS - Director and President/Head of Taiwan Region, Ultra High Net Worth Department	Sino Horizon Holdings Limited - Independent Director  Parade Technologies,	None	Independent Director	No	0



Name	Education	Experience	Current position	Name of the corporate entity represented	Nominee types	Whether having held the position as independent director for three terms of office consecutively /reasons	No. of shares held
		Merrill Lynch - Director and President  China Development Financial Holding Corporation - Senior VP/Head of Investment Banking	Ltd. - Independent Director  Polytronics Technology Corp. - Independent Director				
Emma Chang	Master of Law, University of Washington Bachelor of Laws, National Taiwan University	MediaTek Inc. - Head of Legal  Standard Chartered Bank - Chief Legal Officer  TSMC-Deputy Head of Legal	None	None	Independent Director	No	0



Name	Education	Experience	Current position	Name of the corporate entity represented	Nominee types	Whether having held the position as independent director for three terms of office consecutively /reasons	No. of shares held
Peng-Heng Chang	Ph.D. in Materials Science & Engineering, Purdue University	Motech Industries Inc. - Chairman TSMC-Vice President WSMC - Vice President	Chi-Kuang Solar Energy - Chairman  Ruih Optoelectronics - Representative of Corporate Director  MediaTek Inc. - Independent Director  Big Sun Energy Technology Inc. - Representative of Corporate Director  Love and Joy Co., Ltd. - Director  Ruihao Optoelectronics	None	Independent Director	No	0



Name	Education	Experience	Current position	Name of the corporate entity represented	Nominee types	Whether having held the position as independent director for three terms of office consecutively /reasons	No. of shares held
			Co., Ltd. - Director				
Han-Fei Lin	MBA, Wharton School of the University of Pennsylvania  Bachelor, Department of Chemical Engineering, National Taiwan University	MStar CFO Citigroup Global President Office responsible for corporate strategic planning Vice President, M&A, Citigroup/ Solomon Smith Barney Investment Dept., Foxconn (US) - Director	Easywell Biomedicals Inc. - Chairman Partner of The CID Group eCloudvalley Digital Technology Co., Ltd. - Independent Director P-Two Industries Inc. - Independent Director Hyena Inc. - Representative of Corporate	None	Independent Director	No	0



Name	Education	Experience	Current position	Name of the corporate entity represented	Nominee types	Whether having held the position as independent director for three terms of office consecutively /reasons	No. of shares held
			<p>Director Tai-Ling Biotech., Inc. - Director</p> <p>Yuwei Asset Management Co., Ltd. - Supervisor</p> <p>Synmax Biochemical Co., Ltd. - Supervisor</p> <p>Magnifica Inc. - Representative of Corporate Director</p> <p>Easywell Biomedicals (HK), Inc. - Representative of Corporate</p>				



Name	Education	Experience	Current position	Name of the corporate entity represented	Nominee types	Whether having held the position as independent director for three terms of office consecutively /reasons	No. of shares held
			<p>Director</p> <p>Meihe International Enterprise Co., Ltd. -Supervisor</p> <p>Saviah Technologies, Inc. - Director</p> <p>Tulex Pharmaceuticals Inc. - Representative of Corporate Director</p> <p>Jiangsu Huahan Pharmatech Co., Ltd. - Representative of Corporate Director</p> <p>Qianjinfang</p>				



Name	Education	Experience	Current position	Name of the corporate entity represented	Nominee types	Whether having held the position as independent director for three terms of office consecutively /reasons	No. of shares held
			Health Biotechnology Co., Ltd. - Chairman  WS Fashion Group Co., Ltd. – Supervisor  Nan Shan Life Insurance Company, Ltd.- Representative of Corporate Director				



The results of the directors election

Name	Votes Received	Remark
Representative of TSMC: Robert Kuan	289,022,824 votes	Elected Director
Representative of TSMC: George Liu	240,822,291 votes	Elected Director
Representative of TSMC: David Liu	237,572,949 votes	Elected Director
Laura Huang	221,090,335 votes	Elected Independent Director
Peng-Hen Chang	220,821,494 votes	Elected Independent Director
Laura Chang	219,580,808 votes	Elected Independent Director
Han-Fei Lin	219,207,114 votes	Elected Independent Director

V. Other Motions

- (I) Termination of the non-competition restriction imposed on the directors (including independent directors) (Proposed by the Board of Directors)

Explanation:

- (1) According to Article 209 of the Company Act, a director who does anything for himself/herself or on behalf of another person that is within the scope of the Company's business, shall explain to a shareholders' meeting the essential content of such an act and secure its approval.
- (2) Accordingly, the Company shall secure approval at a shareholders' meeting pursuant to laws. Where any of the Company's new directors as elected satisfies said requirements, the director and its representative may be approved to be relieved from the non-competition restriction.
- (3) The Company's election of directors adopt the candidate nomination system. Those holding other positions concurrently are stated as following:

Director name	Other positions
Representative of TSMC: Robert Kuan	None
Representative of TSMC: George Liu	Senior Director, Business Development Division, TSMC
Representative of TSMC: David Liu	Strategic Investment Management Division, TSMC - Director



Director name	Other positions
	Furenho Asset Management Co., Ltd. - Director
Laura Huang	Sino Horizon Holdings Limited - Independent Director Parade Technologies, Ltd. - Independent Director Polytronics Technology Corp. - Independent Director
Emma Chang	None
Peng-Heng Chang	Chi-Kuang Solar Energy - Chairman Ruiji Optoelectronics - Representative of Corporate Director MediaTek Inc. - Independent Director Big Sun Energy Technology Inc. - Representative of Corporate Director Love and Joy Co., Ltd. - Director Ruihao Optoelectronics Co., Ltd. - Director
Han-Fei Lin	Easywell Biomedicals Inc. - Chairman Partner of The CID Group eCloudvalley Digital Technology Co., Ltd. - Independent Director P-Two Industries Inc. - Independent Director Hyena Inc. - Representative of Corporate Director Tai-Ling Biotech., Inc. - Director Yuwei Asset Management Co., Ltd. - Supervisor Synmax Biochemical Co., Ltd. - Supervisor Magnifica Inc. - Representative of Corporate Director Easywell Biomedicals (HK), Inc. - Representative of Corporate Director Meihe International Enterprise Co., Ltd. -Supervisor Saviat Technologies, Inc. - Director Tulex Pharmaceuticals Inc. - Representative of Corporate Director Jiangsu Huahan Pharmatech Co., Ltd. - Representative of Corporate Director Qianjinfang Health Biotechnology Co., Ltd. - Chairman WS Fashion Group Co., Ltd. - Supervisor Nan Shan Life Insurance Company, Ltd.-Representative of Corporate Director

Voting Results:



Shares represented at the time of voting: 240,345,213 votes

Voting Results*	% of the total represented share present
Votes in favor: 238,507,457 votes	99.23%
Votes against: 172,607 votes	0.07%
Votes invalid: 0 votes	0.00%
Votes abstained: 1,665,149 votes	0.69%

RESOLVED, that the above proposal be and hereby was approved

#### VI. Extemporary Motions

Shareholders' (account numbers 18091) questions and the company's responds are as follows:

- Shareholder: What is the expected capacity utilization rate for the entire factory and the Longtan plant in the next six months?When will the net profit margin return to 15-20%?When will the interest coverage ratio be adjusted back?
- Chairman: The Hsinchu plant is currently at full capacity, while the Longtan plant will gradually come into operation to fully utilize existing capacity. The Longtan plant joined operations in April, and it is expected that after Q3, the existing image sensor capacity at the Longtan plant will be fully operational and contribute to production.
- CFO: Due to lower profits last year, the interest coverage ratio was only 4.5. In the next one to two years, as the Longtan plant expands its capacity and profitability improves, the interest coverage ratio will return to previous level.

There being no other business and special motion, the meeting was adjourned in 09:47 am.

Remark: Except for provisional motions, there are no questions from shareholders at this shareholders' meeting.

Chairman: Robert Kuan

Recorder: Jane Chen



## 2023 Business Report

The semiconductor inventory adjustment in 2023 came to an end, ushered in the gradual recovery of demand, and the global economic interest rate hike cycle is coming to an end. However, the tenacious inflation and the speed of interest rate reduction have cast an uncertain environment for the economy. In 2024, according to IMF data, global economic growth slowed down to 3.1% in 2024, lower than the pre-pandemic average. However, benefiting from the rise of generative AI, various edge AI applications are rapidly developing. The terminal applications such as AI mobile, AI PC and AI in-vehicle electronics are worth the expectations, which is projected to drive upward demands for the installation and performance of image and non-image sensing. In addition, the global semiconductor industry is expected to return to the growth track this year, so 2024 will be a year full of opportunities.

Looking back on the year 2023, VisEra cautiously faced the changes in the market economy, and the long-term cultivation of technology and customer relationship made the Company more resilient in response to fluctuations. Despite the slowdown in the economy, VisEra still stands firm in its development pace, expands its investment in technology and process research and development, actively expands its business, and seeks various cooperation opportunities; we bring technology, process yield and cost benefits to customers, and assist customers with product upgrades, and accumulate the strength to overcome the industrial boom cycle. In addition, the new Longtan Plant successfully started the project production in the second quarter of last year. We look forward to the Longtan Plant as an important base to support the Company in grasping the future growth opportunities and realizing the key processes.

### Financial Performance

In 2023, VisEra's revenue was NT\$7.237 billion. Due to fluctuations in demand for mobile phones and the impact of image sensor inventory adjustments, the revenue fell by 20% from the previous year; the gross profit margin was 17%, gross profit margin fell by 20% from the previous year due to the low average capacity utilization rate and the provision for depreciation of the new Longtan Plant starting from the second quarter; operating expenses was NT\$1.07 billion, fell by 23% compared to the previous year, as the cost of opening the factory in Longtan, which was previously listed as operating expenses, was reclassified as operating costs after mass production; net profit after tax was NT\$356 million, lower than the net profit after tax of the previous year by 80%, and earnings per share



of NT\$1.13.

### **Technology Development**

Through leading technology layout and application expansion, VisEra creates a unique niche and differentiation in the optical semiconductor market. In 2023, the Company invested NT\$726 million in research and development and will continue to build up such R&D investment capacity.

In terms of image sensors, the Nano light pillar microstructure is developed to improve the sensing performance with the optical principle advantage of MetaLens routing, and break through the light input and physical miniaturization limitations of the existing MicroLens. In addition, the special microstructure LnG of RGB. is developed to provide a solution to replace the Metal grid of the circuit layer of image sensor, and to increase the quantum efficiency and optical performance of products with small pixel sizes under 0.8/0.7um.

In terms of micro-optical components, the Company actively conducts various R&D projects for Metasurface microstructure, which are mainly used in 3D sensing, time-of-flight (ToF) and other light sensors, and works with customers to invest in highly customized and highly integrated microstructure technology and process development. The terminal applications are mobile phones, automobiles, AR/VR, and so on. In addition, focus on the research and development of grating waveguide structure for the potential markets of AR glasses, gene sequencing testing, silicon photonics applications such as automotive LiDAR, blood glucose testing, optical communication and other fields to add mid- and long-term development momentum.

### **Environmental, Social, and Corporate Governance (ESG)**

VisEra deeply understands the corporate responsibility towards the environment, society and corporate governance. While pursuing operational growth, we continue to make unremitting efforts in product innovation, responsible procurement, green manufacturing, employee relations, and corporate citizenship, among other sustainable roles. We pay attention to and respond to various climate actions including RE100, establish a net zero emission path, and actively participate in the use and purchase of renewable energy. We have reached the goal of 100% renewable energy use in the Hsinchu factory and office. The goal is to reach 40% renewable energy for the entire company by 2030, and 100% by 2050.

In 2023, VisEra's ESG investments and outcomes have earned recognition by many awards. Among them, the Company was awarded the "National Occupational Safety and Health Enterprise



Benchmark Award" by the Ministry of Labor. It represents the highest honor in national occupational safety and health, and inspires the Company to achieve the mission of "zero incidents and zero occupational disasters" in the workplace; we have been awarded the Silver Award of the Ministry of Environment's "National Enterprise Environmental Award" for two consecutive years; our sustainability report has been awarded the "TCSA Taiwan Corporate Sustainability - Gold Award" by the Taiwan Sustainable Energy Research Foundation. In the future, VisEra will continue to promote ESG and demonstrate voluntary sustainability actions.

### **Future Outlook**

In 2024, semiconductors are expected to step out of the trough and return to growth. Although global economics, politics, and geopolitical relations are still uncertain, the global digital transformation and emerging technologies have increased the structural demand for semiconductors, and the long-term industry trend is still stable. In addition, with the vigorous development of spatial computing, automotive electronics and self-driving technologies, we are seeing a clearer market demand for optical sensing, and we are also seeing the expansion of customers and applications. We lead the development of key technologies for optical semiconductors, and provide reliable and complete supply chain solutions to meet customers' increasingly abundant and diversified optical sensing needs.

VisEra would like to express our sincere gratitude to each of our shareholders for their long-term support and trust, which accompanied us to weather the challenges of 2023. We will continue to focus on our core business and pursue new technologies in order to continuously increase shareholder value and return.

Chairman: Robert Kuan

President: Robert Kuan

Accounting Supervisor: Kevin Tsai



## **Audit Committee's Review Report**

The Board of Directors prepared the 2023 Business Report, Financial Statements, and earning distribution proposal of the Company. The Financial Statements have been audited by the CPA of Deloitte & Touche, who presented the independent auditors' report. After audit, the Audit Committee believes the aforementioned Business Report, Financial Statements and earnings distribution proposal are prepared in good faith. Therefore, the Audit Committee's Review Report is so generated pursuant to the Securities and Exchange Act and the Company Act.

VisEra Technologies Company Ltd.

Convener of the Meeting of the Audit Committee: Laura Huang

February 21, 2024



## INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders VisEra Technologies Company Ltd.

### Opinion

We have audited the accompanying financial statements of VisEra Technologies Company Ltd. (the “Company”), which comprise the balance sheets as of December 31, 2023 and 2022, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended 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.

### 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 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 financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter of the Company's financial statements for the year ended December 31, 2023 is stated as follows:

#### Contract Assets and Revenue Recognition

The majority of the Company's revenue is generated from color filter and optical coating, which are manufactured according to the customized specifications agreed in the contractual agreement. The customers have obtained control over the products during manufacturing process. As such, revenue and contract assets are recognized over time in accordance with the requirements under paragraph 35(b) of IFRS 15. Refer to Notes 4, 5 and 17 to the accompanying financial statements for the details of the accounting policies related to the contract assets and revenue recognition. The Company recognizes contract assets and revenue at the end of each month based on progress towards completion. Since the



abovementioned process involves estimates and manual controls, there is a risk that contract assets and revenue may not be recognized correctly. Thus, the Company's contract assets and revenue recognition was identified as a key audit matter.

Our audit procedures performed in respect of the above key audit matter included the following:

1. We obtained an understanding and tested the effectiveness of the design and implementation of key internal controls over contract assets and revenue recognition.
2. We obtained an understanding and evaluated the reasonableness of management's assumption and policy over contract assets and revenue recognition.
3. We sampled and verified the accuracy of the underlying data used in calculations for the percentage of completion.
4. We sampled and verified the accuracy of the contract assets and revenue recognition.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS, IAS, IFRIC, and 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2023, and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Shang-Chih Lin and Ming-Yuan Chung.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

February 21, 2024

Notice to Readers

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

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



**VISERA TECHNOLOGIES COMPANY LTD.**  
**BALANCE SHEETS**  
(In Thousands of New Taiwan Dollars)

ASSETS	2023		2022		LIABILITIES AND EQUITY	2023		2022	
	Amount	%	Amount	%		Amount	%	Amount	%
CURRENT ASSETS					CURRENT LIABILITIES				
Cash and cash equivalents (Note 6)	\$ 12,467,450	50	\$ 11,949,452	47	Financial liabilities at fair value through profit or loss				
Financial assets at fair value through profit or loss -					- current (Note 7)	6	-	\$ 2,079	-
current (Note 7)	19,851	-	13,257	-	Contract liabilities - current (Note 17)	20,659	-	9,085	-
Contract assets - current (Notes 5, 17 and 25)	366,731	2	314,099	1	Accounts payable	271,104	1	302,237	1
Accounts receivable, net (Notes 5 and 8)	793,091	3	651,302	3	Accounts payable to related parties	440	-	-	-
Accounts receivable from related parties (Notes 5, 8					Lease liabilities - current (Notes 11 and 22)				
and 25)	109,679	1	112,820	1		77,880	1	82,141	-
Other receivables	81,236	-	76,884	-	Accrued profit sharing bonus to employees and remuneration				
Other receivables from related parties (Note 25)	84	-	4,257	-	of directors (Note 18)	74,456	-	356,399	1
Current tax assets(Note 19)	44,238	-	-	-	Payables to equipment suppliers	510,147	2	871,967	3
Inventories (Note 9)	106,599	-	85,228	-	Current tax liabilities (Note 19)	-	-	149,755	1
Prepayments and other current assets	<u>89,510</u>	-	<u>70,465</u>	-	Long-term liabilities-current portion (Notes 13 and 22)	2,295,556	9	1,213,889	5
					Accrued expenses and other current liabilities (Notes 14,				
Total current assets	<u>14,078,469</u>	<u>56</u>	<u>13,277,764</u>	<u>52</u>	17 and 25)	<u>677,769</u>	<u>3</u>	<u>648,952</u>	<u>3</u>
NON-CURRENT ASSETS					Total current liabilities	<u>3,928,017</u>	<u>16</u>	<u>3,636,504</u>	<u>14</u>
Property, plant and equipment (Notes 5 and 10)	10,742,099	43	11,919,577	47	NON-CURRENT LIABILITIES				
Right-of-use assets (Note 11)	245,977	1	312,406	1	Long-term borrowings (Notes 13 and 22)	4,382,965	17	4,760,047	19
Intangible assets (Note 12)	52,306	-	49,922	-	Deferred tax liabilities (Note 19)	28,107	-	32,253	-
Deferred tax assets (Note 19)	33,052	-	17,956	-	Lease liabilities - non-current (Notes 11 and 22)	175,866	1	236,499	1
Other non-current assets (Note 26)	<u>26,619</u>	-	<u>22,496</u>	-	Deferred revenue - non-current (Note 13)	27,868	-	39,397	-
					Guarantee deposits (Note 25)	<u>4,532</u>	-	<u>5,259</u>	-
Total non-current assets	<u>11,100,053</u>	<u>44</u>	<u>12,322,357</u>	<u>48</u>	Total non-current liabilities	<u>4,619,338</u>	<u>18</u>	<u>5,073,455</u>	<u>20</u>



					Total liabilities	<u>8,547,355</u>	<u>34</u>	<u>8,709,959</u>	<u>34</u>	
					EQUITY (Note 16)					
					Capital stock	3,165,671	13	3,155,341	12	
					Capital surplus	7,310,640	29	7,304,953	29	
					Retained earnings					
					Appropriated as legal reserve	1,387,743	5	1,211,163	5	
					Unappropriated earnings	<u>4,767,113</u>	<u>19</u>	<u>5,218,705</u>	<u>20</u>	
						<u>6,154,856</u>	<u>24</u>	<u>6,429,868</u>	<u>25</u>	
					Total equity	<u>16,631,167</u>	<u>66</u>	<u>16,890,162</u>	<u>66</u>	
TOTAL		<u>\$ 25,178,522</u>	<u>100</u>	<u>\$ 25,600,121</u>	<u>100</u>	TOTAL	<u>\$ 25,178,522</u>	<u>100</u>	<u>\$ 25,600,121</u>	<u>100</u>

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



**VISERA TECHNOLOGIES COMPANY LTD.**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	<b>2023</b>		<b>2022</b>	
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
OPERATING REVENUE (Notes 5, 17 and 25)	\$ 7,236,928	100	\$ 9,077,148	100
OPERATING COSTS (Notes 9, 18 and 25)	<u>6,022,582</u>	<u>83</u>	<u>5,749,908</u>	<u>63</u>
GROSS PROFIT	<u>1,214,346</u>	<u>17</u>	<u>3,327,240</u>	<u>37</u>
OPERATING EXPENSES (Notes 18 and 25)				
Sales and marketing	56,052	1	70,400	1
General and administrative	225,031	3	570,551	6
Research and development	<u>726,535</u>	<u>10</u>	<u>671,886</u>	<u>8</u>
Total operating expenses	<u>1,007,618</u>	<u>14</u>	<u>1,312,837</u>	<u>15</u>
OTHER OPERATING INCOME AND EXPENSES, NET (Notes 10, 18 and 25)	<u>71,408</u>	<u>1</u>	<u>54,256</u>	<u>1</u>
PROFIT FROM OPERATIONS	<u>278,136</u>	<u>4</u>	<u>2,068,659</u>	<u>23</u>
NON-OPERATING INCOME AND EXPENSES (Notes 18 and 25)				
Interest income	169,008	2	54,919	-
Other income	596	-	238	-
Other gains and losses	(48,496)	(1)	(171,671)	(2)
Foreign exchange gain and loss, net	6,212	-	160,659	2
Finance costs	<u>(90,104)</u>	<u>(1)</u>	<u>(12,355)</u>	<u>-</u>
Total non-operating income and expenses	<u>37,216</u>	<u>-</u>	<u>31,790</u>	<u>-</u>
PROFIT BEFORE INCOME TAX	315,352	4	2,100,449	23
INCOME TAX (BENEFIT) EXPENSE (Note 19)	<u>(40,728)</u>	<u>(1)</u>	<u>334,654</u>	<u>4</u>
NET INCOME	<u>356,080</u>	<u>5</u>	<u>1,765,795</u>	<u>19</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 356,080</u>	<u>5</u>	<u>\$ 1,765,795</u>	<u>19</u>
EARNINGS PER SHARE (Note 20)				
Basic earnings per share	<u>\$ 1.13</u>		<u>\$ 5.80</u>	
Diluted earnings per share	<u>\$ 1.12</u>		<u>\$ 5.71</u>	

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



**VISERA TECHNOLOGIES COMPANY LTD.**  
**STATEMENTS OF CHANGES IN EQUITY**  
(In Thousands of New Taiwan Dollars)

	Capital Stock - Common Stock			Retained Earnings			Total Equity
	Stock (In Thousands)	Amount	Capital Surplus	Legal Reserve	Unappropriated Earnings	Total	
BALANCE, JANUARY 1, 2022	293,299	\$ 2,932,991	\$ 732,799	\$ 994,635	\$ 4,256,150	\$ 5,250,785	\$ 8,916,575
Appropriation of earnings							
Legal reserve	-	-	-	216,528	(216,528)	-	-
Cash dividends	-	-	-	-	(586,712)	(586,712)	(586,712)
Employee share options exercised	1,215	12,150	8,056	-	-	-	20,206
Issuance of ordinary shares for cash	21,020	210,200	6,528,434	-	-	-	6,738,634
Donation from shareholders	-	-	62	-	-	-	62
Compensation cost of employee share options	-	-	35,602	-	-	-	35,602
Net profit and total comprehensive income for the year ended December 31, 2022	=	=	=	=	<u>1,765,795</u>	<u>1,765,795</u>	<u>1,765,795</u>
BALANCE, DECEMBER 31, 2022	315,534	3,155,341	7,304,953	1,211,163	5,218,705	6,429,868	16,890,162
Appropriation of earnings							
Legal reserve	-	-	-	176,580	(176,580)	-	-
Cash dividends	-	-	-	-	(631,092)	(631,092)	(631,092)
Employee share options exercised	1,033	10,330	4,831	-	-	-	15,161
Donation from shareholders	-	-	108	-	-	-	108
Compensation cost of employee share options	-	-	748	-	-	-	748
Net profit and total comprehensive income for the year ended December 31, 2023	=	=	=	=	<u>356,080</u>	<u>356,080</u>	<u>356,080</u>
BALANCE, DECEMBER 31, 2023	<u>316,567</u>	<u>\$ 3,165,671</u>	<u>\$ 7,310,640</u>	<u>\$ 1,387,743</u>	<u>\$ 4,767,113</u>	<u>\$ 6,154,856</u>	<u>\$ 16,631,167</u>

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



**VISERA TECHNOLOGIES COMPANY LTD.**  
**STATEMENTS OF CASH FLOWS**  
(In Thousands of New Taiwan Dollars)

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 315,352	\$ 2,100,449
Adjustments for:		
Depreciation expense	3,077,390	2,324,002
Amortization expense	26,771	10,061
Finance costs	90,104	12,355
Interest income	(169,008)	(54,919)
Compensation cost of employee share options	748	35,602
Foreign exchange	(2,280)	9,472
Lease modification	(3)	-
Changes in operating assets and liabilities:		
Financial instruments at fair value through profit or loss	(8,667)	(5,261)
Contract assets	(52,632)	(65,851)
Accounts receivable, net	(141,789)	545,130
Receivables from related parties, net	3,141	5,003
Other receivables	2,374	(10,049)
Other receivables from related parties	4,173	(4,257)
Inventories	(21,371)	10,979
Prepayments and other current assets	(19,045)	(2,508)
Contract liabilities	11,574	(909)
Accounts payable	(31,133)	(33,290)
Payables to related parties, net	440	-
Accrued profit sharing bonus to employees	(281,943)	(79,357)
Accrued expenses and other current liabilities	28,254	29,135
Cash generated from operations	2,832,450	4,825,787
Income taxes paid	(172,507)	(536,923)
Net cash generated from operating activities	<u>2,659,943</u>	<u>4,288,864</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for property, plant and equipment	(2,165,028)	(4,126,223)
Increase in refundable deposits	(2,683)	-
Decrease in refundable deposits	423	1,994
Payments for intangible assets	(29,155)	(35,109)
Increase in other non-current assets	(1,863)	-
Interest received	<u>162,282</u>	<u>23,723</u>
Net cash used in investing activities	<u>(2,036,024)</u>	<u>(4,135,615)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from long-term borrowings	2,450,000	2,670,000
Repayments of long-term borrowings	(1,756,944)	(166,667)
Guarantee deposits received	472	-
Guarantee deposits refunded	(1,151)	-
Repayment of the principal portion of lease liabilities	(82,904)	(78,030)
Cash dividends	(631,092)	(586,712)

(Continued)



**VISERA TECHNOLOGIES COMPANY LTD.****STATEMENTS OF CASH FLOWS**  
**(In Thousands of New Taiwan Dollars)**

	<b>2023</b>	<b>2022</b>
Proceeds from issuing shares	\$ -	\$ 6,738,634
Employee share options exercised	15,161	20,206
Interest paid	(99,571)	(33,914)
Donation from shareholders	<u>108</u>	<u>62</u>
Net cash (used in) generated from financing activities	<u>(105,921)</u>	<u>8,563,579</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	517,998	8,716,828
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>11,949,452</u>	<u>3,232,624</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 12,467,450</u>	<u>\$ 11,949,452</u>

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



# VisEra Technologies Company Ltd.

## 2023 Earnings Distribution Table

Unit: NT\$

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<b>Beginning Undistributed Earnings</b>	<b>4,411,031,903</b>
<b>2023 net profit</b>	<b>356,080,336</b>
Less:	
- Distribution of 10% as legal reserve	(35,608,034)
<b>2023 Distributable Earnings</b>	<b>320,472,302</b>
<b>Distributable Earnings as of December 31, 2023</b>	<b>4,731,504,205</b>
<b>Distribution Items:</b>	
- Common share cash dividend (NT\$1.0 per share)	(316,724,119)
<b>Ending Undistributed Retained Earnings</b>	<b>4,414,780,086</b>

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Chairman: Robert Kuan

President: Robert Kuan

Accounting Supervisor: Kevin Tsai