

**VIA Labs, Inc. and Subsidiaries**

**Consolidated Financial Statements for the  
Three Months Ended March 31, 2020 and 2019**

## VIA LABS, INC. AND SUBSIDIARIES

### CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	March 31, 2020 (Reviewed)		December 31, 2019 (Audited)		March 31, 2019 (Reviewed)	
	Amount	%	Amount	%	Amount	%
<b>CURRENT ASSETS</b>						
Cash and cash equivalents	\$ 763,589	58	\$ 717,055	57	\$ 673,267	61
Accounts receivable, net	221,517	17	211,723	17	180,928	17
Accounts receivable - related parties	5,083	-	6,794	-	8,316	1
Other receivables	731	-	812	-	1,057	-
Current tax assets	-	-	-	-	184	-
Inventories	228,246	17	219,932	18	169,330	15
Other current assets	8,127	1	10,312	1	2,709	-
Total current assets	1,227,293	93	1,166,628	93	1,035,791	94
<b>NON-CURRENT ASSETS</b>						
Financial assets at fair value through other comprehensive income - non-current	11,672	1	15,805	1	18,513	2
Investments accounted for using equity method	-	-	-	-	-	-
Property, plant and equipment	34,212	2	37,287	3	13,314	1
Right-of-use assets	9,256	1	11,995	1	20,351	2
Intangible assets	26,412	2	9,679	1	7,014	-
Deferred tax assets	12,719	1	10,855	1	10,153	1
Refundable deposits	1,058	-	1,058	-	1,058	-
Total non-current assets	95,329	7	86,679	7	70,403	6
<b>TOTAL</b>	<b>\$ 1,322,622</b>	<b>100</b>	<b>\$ 1,253,307</b>	<b>100</b>	<b>\$ 1,106,194</b>	<b>100</b>
<b>LIABILITIES AND EQUITY</b>						
<b>CURRENT LIABILITIES</b>						
Accounts payable	\$ 126,864	10	\$ 105,614	8	\$ 177,008	16
Accounts payable - related parties	11,308	1	11,974	1	9,106	1
Other payables	145,912	11	169,802	14	104,531	9
Current tax liabilities	52,006	4	38,812	3	5,157	1
Provisions - current	3,615	-	3,324	-	-	-
Lease liabilities - current	10,394	1	12,702	1	12,644	1
Other current liabilities	30,703	2	35,878	3	25,640	2
Total current liabilities	380,802	29	378,106	30	334,086	30
<b>NON-CURRENT LIABILITIES</b>						
Lease liabilities - non-current	691	-	1,203	-	9,448	1
Net defined benefit liabilities	3,166	-	3,087	-	2,708	-
Other non-current liabilities	-	-	4,109	1	-	-
Total non-current liabilities	3,857	-	8,399	1	12,156	1
Total liabilities	384,659	29	386,505	31	346,242	31
<b>EQUITY</b>						
Share capital	600,000	45	600,000	48	600,000	54
Capital surplus	3,661	-	2,824	-	2,545	-
Retained earnings						
Legal reserve	12,627	1	12,627	1	249	-
Special reserve	11,839	1	11,839	1	2,241	1
Unappropriated earnings	328,938	25	254,508	20	166,610	15
Total retained earnings	353,404	27	278,974	22	169,100	16
Other equity	(19,102)	(1)	(14,996)	(1)	(11,693)	(1)
Total equity	937,963	71	866,802	69	759,952	69
<b>TOTAL</b>	<b>\$ 1,322,622</b>	<b>100</b>	<b>\$ 1,253,307</b>	<b>100</b>	<b>\$ 1,106,194</b>	<b>100</b>

## VIA LABS, INC. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share) (Reviewed, Not Audited)

	For the Three Months Ended March 31			
	2020		2019	
	Amount	%	Amount	%
OPERATING REVENUE				
Sales	\$ 423,890	99	\$ 318,444	98
Other operating revenue	5,668	1	6,593	2
OPERATING COSTS	<u>216,549</u>	<u>50</u>	<u>148,073</u>	<u>45</u>
GROSS PROFIT	<u>213,009</u>	<u>50</u>	<u>176,964</u>	<u>55</u>
OPERATING EXPENSES				
Selling and marketing expenses	12,689	3	10,826	3
General and administrative expenses	9,901	2	8,336	3
Research and development expenses	110,640	26	112,881	35
Expected credit loss	<u>315</u>	<u>-</u>	<u>707</u>	<u>-</u>
Total operating expenses	<u>133,545</u>	<u>31</u>	<u>132,750</u>	<u>41</u>
PROFIT FROM OPERATIONS	<u>79,464</u>	<u>19</u>	<u>44,214</u>	<u>14</u>
NON-OPERATING INCOME AND EXPENSES				
Other income	1,870	-	2,547	1
Other gains and losses	4,630	1	1,706	-
Finance costs	<u>(63)</u>	<u>-</u>	<u>(119)</u>	<u>-</u>
Total non-operating income and expenses	<u>6,437</u>	<u>1</u>	<u>4,134</u>	<u>1</u>
PROFIT BEFORE INCOME TAX	85,901	20	48,348	15
INCOME TAX EXPENSE	<u>(11,471)</u>	<u>(3)</u>	<u>(5,518)</u>	<u>(2)</u>
NET PROFIT FOR THE PERIOD	<u>74,430</u>	<u>17</u>	<u>42,830</u>	<u>13</u>

(Continued)

## VIA LABS, INC. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share) (Reviewed, Not Audited)

	<b>For the Three Months Ended March 31</b>			
	<b>2020</b>		<b>2019</b>	
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
<b>OTHER COMPREHENSIVE INCOME AND LOSS</b>				
Items that will not be reclassified subsequently to profit or loss				
Unrealized loss on investments in equity instruments at fair value through other comprehensive income	\$ (4,133)	(1)	\$ -	-
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translating foreign operations	<u>27</u>	<u>-</u>	<u>146</u>	<u>-</u>
Other comprehensive (loss) income for the period, net of income tax	<u>(4,106)</u>	<u>(1)</u>	<u>146</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<u>\$ 70,324</u>	<u>16</u>	<u>\$ 42,976</u>	<u>13</u>
<b>EARNINGS PER SHARE</b>				
From continuing operations				
Basic	<u>\$ 1.24</u>		<u>\$ 0.71</u>	
Diluted	<u>\$ 1.18</u>		<u>\$ 0.69</u>	

(Concluded)

**VIA LABS, INC. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	Share Capital	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, JANUARY 1, 2019	\$ 600,000	\$ 2,545	\$ 249	\$ 2,241	\$ 123,780	\$ -	\$ (11,839)	\$ 716,976
Net profit for the three months ended March 31, 2019	-	-	-	-	42,830	-	-	42,830
Other comprehensive income and loss for the three months ended March 31, 2019	-	-	-	-	-	-	146	146
Total comprehensive income and loss for the three months ended March 31, 2019	-	-	-	-	42,830	-	146	42,976
BALANCE, MARCH 31, 2019	<u>\$ 600,000</u>	<u>\$ 2,545</u>	<u>\$ 249</u>	<u>\$ 2,241</u>	<u>\$ 166,610</u>	<u>\$ -</u>	<u>\$ (11,693)</u>	<u>\$ 759,952</u>
BALANCE, JANUARY 1, 2020	\$ 600,000	\$ 2,824	\$ 12,627	\$ 11,839	\$ 254,508	\$ (2,708)	\$ (12,288)	\$ 866,802
Compensation cost of employee share options	-	837	-	-	-	-	-	837
Net profit for the three months ended March 31, 2020	-	-	-	-	74,430	-	-	74,430
Other comprehensive income and loss for the three months ended March 31, 2020	-	-	-	-	-	(4,133)	27	(4,106)
Total comprehensive income and loss for the three months ended March 31, 2020	-	-	-	-	74,430	(4,133)	27	70,324
BALANCE, MARCH 31, 2020	<u>\$ 600,000</u>	<u>\$ 3,661</u>	<u>\$ 12,627</u>	<u>\$ 11,839</u>	<u>\$ 328,938</u>	<u>\$ (6,841)</u>	<u>\$ (12,261)</u>	<u>\$ 937,963</u>

## VIA LABS, INC. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Three Months Ended March 31	
	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before income tax	\$ 85,901	\$ 48,348
Adjustments for:		
Depreciation	5,815	4,832
Amortization	2,336	1,343
Expected credit loss recognized on accounts receivable	315	707
Finance costs	63	119
Interest income	(1,870)	(2,547)
Compensation costs of employee share options	837	-
Changes in operating assets and liabilities		
Accounts receivable	(10,109)	(29,893)
Accounts receivable - related parties	1,711	21
Inventories	(8,314)	(26,400)
Other current assets	2,185	(425)
Accounts payable	21,250	57,926
Accounts payable - related parties	(666)	(600)
Other payables	(29,901)	(22,190)
Provisions	291	-
Other current liabilities	(5,175)	(3,583)
Net defined benefit liabilities	79	88
Other non-current liabilities	(4,109)	(5,144)
Cash generated from operations	60,639	22,602
Interest received	1,951	2,771
Interest paid	(63)	(119)
Income tax paid	(141)	(836)
Net cash generated from operating activities	<u>62,386</u>	<u>24,418</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at fair value through other comprehensive income	-	(18,513)
Payments for property, plant and equipment	(9,764)	(1,066)
Decrease in refundable deposits	-	28
Payments for intangible assets	(3,294)	(2,750)
Net cash used in investing activities	<u>(13,058)</u>	<u>(22,301)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Decrease in guarantee deposits	-	(29)
Repayment of the principal portion of lease liabilities	(2,821)	(1,013)
Net cash used in financing activities	<u>(2,821)</u>	<u>(1,042)</u>

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## VIA LABS, INC. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

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	For the Three Months Ended March 31	
	2020	2019
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	\$ <u>27</u>	\$ <u>146</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	46,534	1,221
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>717,055</u>	<u>672,046</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 763,589</u>	<u>\$ 673,267</u>

(Concluded)