

VIA Labs, Inc. and Subsidiaries

**Consolidated Financial Statements for the
Six Months Ended June 30, 2021 and 2020**

VIA LABS, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

	June 30, 2021 (Reviewed)		December 31, 2020 (Audited)		June 30, 2020 (Reviewed)	
	Amount	%	Amount	%	Amount	%
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	\$ 1,724,062	51	\$ 2,284,670	75	\$ 820,132	57
Financial assets at amortized cost - current	420,000	12	-	-	-	-
Accounts receivable, net	367,985	11	228,914	8	256,933	18
Accounts receivable - related parties	3,038	-	1,485	-	5,354	-
Other receivables	13,547	-	196	-	540	-
Inventories	386,621	12	266,761	9	229,625	16
Other current assets	<u>7,155</u>	<u>-</u>	<u>8,167</u>	<u>-</u>	<u>11,508</u>	<u>1</u>
Total current assets	<u>2,922,408</u>	<u>86</u>	<u>2,790,193</u>	<u>92</u>	<u>1,324,092</u>	<u>92</u>
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current	211,604	6	36,711	1	-	-
Financial assets at fair value through other comprehensive income - non-current	9,084	-	11,997	-	15,593	1
Investments accounted for using equity method	-	-	-	-	-	-
Property, plant and equipment	73,353	2	56,942	2	38,313	3
Right-of-use assets	27,446	1	1,586	-	6,491	-
Intangible assets	38,139	1	41,943	1	40,516	3
Deferred tax assets	17,343	1	14,611	1	13,292	1
Refundable deposits	<u>84,581</u>	<u>3</u>	<u>86,593</u>	<u>3</u>	<u>1,058</u>	<u>-</u>
Total non-current assets	<u>461,550</u>	<u>14</u>	<u>250,383</u>	<u>8</u>	<u>115,263</u>	<u>8</u>
TOTAL	<u>\$ 3,383,958</u>	<u>100</u>	<u>\$ 3,040,576</u>	<u>100</u>	<u>\$ 1,439,355</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Accounts payable	\$ 285,427	8	\$ 161,389	5	\$ 146,612	10
Accounts payable - related parties	24,672	1	14,806	1	12,138	1
Other payables	248,630	7	198,112	7	198,313	14
Dividends payable	-	-	-	-	198,000	14
Current tax liabilities	69,574	2	14,001	-	15,030	1
Provisions - current	2,997	-	3,342	-	3,655	-
Lease liabilities - current	13,084	-	2,831	-	7,751	-
Other current liabilities	<u>15,860</u>	<u>1</u>	<u>25,489</u>	<u>1</u>	<u>25,421</u>	<u>2</u>
Total current liabilities	<u>660,244</u>	<u>19</u>	<u>419,970</u>	<u>14</u>	<u>606,920</u>	<u>42</u>
NON-CURRENT LIABILITIES						
Lease liabilities - non-current	16,496	1	579	-	541	-
Net defined benefit liabilities	3,165	-	3,156	-	3,246	1
Other non-current liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,017</u>	<u>-</u>
Total non-current liabilities	<u>19,661</u>	<u>1</u>	<u>3,735</u>	<u>-</u>	<u>5,804</u>	<u>1</u>
Total liabilities	<u>679,905</u>	<u>20</u>	<u>423,705</u>	<u>14</u>	<u>612,724</u>	<u>43</u>
EQUITY						
Share capital	<u>675,000</u>	<u>20</u>	<u>675,000</u>	<u>22</u>	<u>600,000</u>	<u>42</u>
Capital surplus	<u>1,559,523</u>	<u>46</u>	<u>1,557,933</u>	<u>51</u>	<u>4,498</u>	<u>-</u>
Retained earnings						
Legal reserve	68,781	2	36,909	1	36,909	2
Special reserve	15,757	-	14,996	1	14,996	1
Unappropriated earnings	<u>403,947</u>	<u>12</u>	<u>347,790</u>	<u>11</u>	<u>185,699</u>	<u>13</u>
Total retained earnings	<u>488,485</u>	<u>14</u>	<u>399,695</u>	<u>13</u>	<u>237,604</u>	<u>16</u>
Other equity	<u>(18,955)</u>	<u>-</u>	<u>(15,757)</u>	<u>-</u>	<u>(15,471)</u>	<u>(1)</u>
Total equity	<u>2,704,053</u>	<u>80</u>	<u>2,616,871</u>	<u>86</u>	<u>826,631</u>	<u>57</u>
TOTAL	<u>\$ 3,383,958</u>	<u>100</u>	<u>\$ 3,040,576</u>	<u>100</u>	<u>\$ 1,439,355</u>	<u>100</u>

VIA LABS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2021		2020		2021		2020	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE								
Sales	\$ 796,582	99	\$ 497,762	99	\$ 1,515,615	99	\$ 921,652	99
Other operating revenue	<u>6,238</u>	<u>1</u>	<u>6,342</u>	<u>1</u>	<u>12,356</u>	<u>1</u>	<u>12,010</u>	<u>1</u>
Total operating revenue	<u>802,820</u>	<u>100</u>	<u>504,104</u>	<u>100</u>	<u>1,527,971</u>	<u>100</u>	<u>933,662</u>	<u>100</u>
OPERATING COSTS	<u>375,821</u>	<u>47</u>	<u>251,032</u>	<u>50</u>	<u>728,225</u>	<u>48</u>	<u>467,581</u>	<u>50</u>
GROSS PROFIT	<u>426,999</u>	<u>53</u>	<u>253,072</u>	<u>50</u>	<u>799,746</u>	<u>52</u>	<u>466,081</u>	<u>50</u>
OPERATING EXPENSES								
Selling and marketing expenses	10,882	1	6,383	2	23,664	1	19,072	2
General and administrative expenses	13,907	2	11,287	2	26,260	2	21,188	2
Research and development expenses	147,821	18	137,435	27	283,601	19	248,075	27
Expected credit loss	<u>170</u>	<u>-</u>	<u>39</u>	<u>-</u>	<u>1,019</u>	<u>-</u>	<u>354</u>	<u>-</u>
Total operating expenses	<u>172,780</u>	<u>21</u>	<u>155,144</u>	<u>31</u>	<u>334,544</u>	<u>22</u>	<u>288,689</u>	<u>31</u>
PROFIT FROM OPERATIONS	<u>254,219</u>	<u>32</u>	<u>97,928</u>	<u>19</u>	<u>465,202</u>	<u>30</u>	<u>177,392</u>	<u>19</u>
NON-OPERATING INCOME AND EXPENSES								
Interest income	2,636	-	1,405	-	4,711	1	3,275	-
Other gains and losses	(11,418)	(1)	(10,334)	(2)	(12,921)	(1)	(5,704)	-
Finance costs	<u>(122)</u>	<u>-</u>	<u>(48)</u>	<u>-</u>	<u>(257)</u>	<u>-</u>	<u>(111)</u>	<u>-</u>
Total non-operating income and expenses	<u>(8,904)</u>	<u>(1)</u>	<u>(8,977)</u>	<u>(2)</u>	<u>(8,467)</u>	<u>-</u>	<u>(2,540)</u>	<u>-</u>
PROFIT BEFORE INCOME TAX	245,315	31	88,951	17	456,735	30	174,852	19
INCOME TAX EXPENSE	<u>(37,649)</u>	<u>(5)</u>	<u>(6,751)</u>	<u>(1)</u>	<u>(64,195)</u>	<u>(5)</u>	<u>(18,222)</u>	<u>(2)</u>
NET PROFIT FOR THE PERIOD	<u>207,666</u>	<u>26</u>	<u>82,200</u>	<u>16</u>	<u>392,540</u>	<u>25</u>	<u>156,630</u>	<u>17</u>

(Continued)

VIA LABS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2021		2020		2021		2020	
	Amount	%	Amount	%	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME AND LOSS								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized (loss) gain on investments in equity instruments at fair value through other comprehensive income	\$ (2,913)	(1)	\$ 3,921	1	\$ (2,913)	-	\$ (212)	-
Items that may be reclassified subsequently to profit or loss								
Exchange differences on translating foreign operations	(263)	-	(290)	-	(285)	-	(263)	-
Other comprehensive (loss) income for the period, net of income tax	(3,176)	(1)	3,631	1	(3,198)	-	(475)	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 204,490</u>	<u>25</u>	<u>\$ 85,831</u>	<u>17</u>	<u>\$ 389,342</u>	<u>25</u>	<u>\$ 156,155</u>	<u>17</u>
EARNINGS PER SHARE								
From continuing operations								
Basic	<u>\$ 3.08</u>		<u>\$ 1.37</u>		<u>\$ 5.82</u>		<u>\$ 2.61</u>	
Diluted	<u>\$ 2.95</u>		<u>\$ 1.31</u>		<u>\$ 5.57</u>		<u>\$ 2.49</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 AT JANUARY 1, 2020	\$ 600,000	\$ 2,824	\$ 12,627	\$ 11,839	\$ 254,508	\$ (2,708)	\$ (12,288)	\$ 866,802
Appropriation of 2019 earnings								
Legal reserve	-	-	24,282	-	(24,282)	-	-	-
Special reserve	-	-	-	3,157	(3,157)	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(198,000)	-	-	(198,000)
Compensation cost of employee share options	-	1,674	-	-	-	-	-	1,674
Net profit for the six months ended June 30, 2020	-	-	-	-	156,630	-	-	156,630
Other comprehensive loss for the six months ended June 30, 2020	-	-	-	-	-	(212)	(263)	(475)
Total comprehensive income (loss) for the six months ended June 30, 2020	-	-	-	-	156,630	(212)	(263)	156,155
BALANCE AT JUNE 30, 2020	<u>\$ 600,000</u>	<u>\$ 4,498</u>	<u>\$ 36,909</u>	<u>\$ 14,996</u>	<u>\$ 185,699</u>	<u>\$ (2,920)</u>	<u>\$ (12,551)</u>	<u>\$ 826,631</u>
BALANCE AT JANUARY 1, 2021	\$ 675,000	\$ 1,557,933	\$ 36,909	\$ 14,996	\$ 347,790	\$ (15,168)	\$ (589)	\$ 2,616,871
Appropriation of 2020 earnings								
Legal reserve	-	-	31,872	-	(31,872)	-	-	-
Special reserve	-	-	-	761	(761)	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(303,750)	-	-	(303,750)
Compensation cost of employee share options	-	1,590	-	-	-	-	-	1,590
Net profit for the six months ended June 30, 2021	-	-	-	-	392,540	-	-	392,540
Other comprehensive loss for the six months ended June 30, 2021	-	-	-	-	-	(2,913)	(285)	(3,198)
Total comprehensive income (loss) for the six months ended June 30, 2021	-	-	-	-	392,540	(2,913)	(285)	389,342
BALANCE AT JUNE 30, 2021	<u>\$ 675,000</u>	<u>\$ 1,559,523</u>	<u>\$ 68,781</u>	<u>\$ 15,757</u>	<u>\$ 403,947</u>	<u>\$ (18,081)</u>	<u>\$ (874)</u>	<u>\$ 2,704,053</u>

VIA LABS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Six Months Ended June 30	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 456,735	\$ 174,852
Adjustments for:		
Depreciation expense	18,121	11,753
Amortization expense	11,223	6,838
Expected credit loss recognized on accounts receivable	1,019	354
Finance costs	257	111
Interest income	(4,711)	(3,275)
Compensation cost of employee share options	1,590	1,674
Gain on lease modification	(5)	-
Changes in operating assets and liabilities		
Financial assets at fair value through profit or loss	(174,893)	-
Accounts receivable	(140,090)	(45,564)
Accounts receivable - related parties	(1,553)	1,440
Other receivables	(12,216)	-
Inventories	(119,860)	(9,693)
Other current assets	1,012	(1,196)
Accounts payable	124,038	40,998
Accounts payable - related parties	9,866	164
Other payables	52,362	5,329
Provisions	(345)	331
Other current liabilities	(9,629)	(10,457)
Net defined benefit liabilities	9	159
Other non-current liabilities	-	(2,092)
Cash generated from operations	212,930	171,726
Interest received	3,576	3,547
Interest paid	(257)	(111)
Income tax paid	(11,354)	(44,441)
Net cash generated from operating activities	204,895	130,721
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	(420,000)	-
Payments for property, plant and equipment	(26,783)	(10,907)
Decrease in refundable deposits	2,012	-
Payments for intangible assets	(11,218)	(10,890)
Net cash used in investing activities	(455,989)	(21,797)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of the principal portion of lease liabilities	(5,479)	(5,584)
Dividends paid	(303,750)	-
Net cash used in financing activities	(309,229)	(5,584)

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VIA LABS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Six Months Ended June 30	
	2021	2020
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	\$ (285)	\$ (263)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(560,608)	103,077
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>2,284,670</u>	<u>717,055</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 1,724,062</u>	<u>\$ 820,132</u>

(Concluded)