

**VIA Labs, Inc. and Subsidiaries**

**Consolidated Financial Statements for the  
Six Months Ended June 30, 2022 and 2021**

# VIA LABS, INC. AND SUBSIDIARIES

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

	June 30, 2022 (Reviewed)		December 31, 2021 (Audited)		June 30, 2021 (Reviewed)	
	Amount	%	Amount	%	Amount	%
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
Cash and cash equivalents	\$ 1,820,885	46	\$ 1,906,789	47	\$ 1,724,062	51
Financial assets at amortized cost - current	-	-	434,000	11	420,000	12
Accounts receivable, net	397,466	10	381,794	9	367,985	11
Accounts receivable - related parties	1,579	-	1,621	-	3,038	-
Other receivables	561	-	504	-	13,547	-
Inventories	668,584	17	454,242	11	386,621	12
Other current assets	9,091	-	8,863	-	7,155	-
Total current assets	<u>2,898,166</u>	<u>73</u>	<u>3,187,813</u>	<u>78</u>	<u>2,922,408</u>	<u>86</u>
<b>NON-CURRENT ASSETS</b>						
Financial assets at fair value through profit or loss - non-current	157,577	4	154,510	4	211,604	6
Financial assets at fair value through other comprehensive income - non-current	589,171	15	468,285	11	9,084	-
Property, plant and equipment	91,544	2	72,889	2	73,353	2
Right-of-use assets	20,053	1	26,728	1	27,446	1
Intangible assets	67,135	2	44,763	1	38,139	1
Deferred tax assets	56,926	1	36,156	1	17,343	1
Refundable deposits	90,161	2	84,041	2	84,581	3
Total non-current assets	<u>1,072,567</u>	<u>27</u>	<u>887,372</u>	<u>22</u>	<u>461,550</u>	<u>14</u>
<b>TOTAL</b>	<u>\$ 3,970,733</u>	<u>100</u>	<u>\$ 4,075,185</u>	<u>100</u>	<u>\$ 3,383,958</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>						
<b>CURRENT LIABILITIES</b>						
Accounts payable	\$ 332,893	9	\$ 265,381	7	\$ 285,427	8
Accounts payable - related parties	17,906	1	26,028	1	24,672	1
Other payables	419,127	11	329,189	8	248,630	7
Current tax liabilities	165,911	4	174,148	4	69,574	2
Provisions - current	6,123	-	6,901	-	2,997	-
Lease liabilities - current	14,912	-	15,629	-	13,084	-
Other current liabilities	9,963	-	39,459	1	15,860	1
Total current liabilities	<u>966,835</u>	<u>25</u>	<u>856,735</u>	<u>21</u>	<u>660,244</u>	<u>19</u>
<b>NON-CURRENT LIABILITIES</b>						
Lease liabilities - non-current	6,775	-	13,545	-	16,496	1
Net defined benefit liabilities	3,148	-	3,135	-	3,165	-
Total non-current liabilities	<u>9,923</u>	<u>-</u>	<u>16,680</u>	<u>-</u>	<u>19,661</u>	<u>1</u>
Total liabilities	<u>976,758</u>	<u>25</u>	<u>873,415</u>	<u>21</u>	<u>679,905</u>	<u>20</u>
<b>EQUITY</b>						
Share capital	684,780	17	675,000	17	675,000	20
Capital collected in advance	344	-	11,556	-	-	-
Capital surplus	1,570,315	40	1,561,112	38	1,559,523	46
Retained earnings						
Legal reserve	156,817	4	68,781	2	68,781	2
Special reserve	22,209	-	15,757	-	15,757	-
Unappropriated earnings	589,030	15	891,773	22	403,947	12
Total retained earnings	768,056	19	976,311	24	488,485	14
Other equity	(29,520)	(1)	(22,209)	-	(18,955)	-
Total equity	<u>2,993,975</u>	<u>75</u>	<u>3,201,770</u>	<u>79</u>	<u>2,704,053</u>	<u>80</u>
<b>TOTAL</b>	<u>\$ 3,970,733</u>	<u>100</u>	<u>\$ 4,075,185</u>	<u>100</u>	<u>\$ 3,383,958</u>	<u>100</u>

## 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 June 30				For the Six Months Ended June 30			
	2022		2021		2022		2021	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE								
Sales	\$ 880,620	100	\$ 796,582	99	\$ 1,865,527	100	\$ 1,515,615	99
Other operating revenue	<u>145</u>	-	<u>6,238</u>	1	<u>145</u>	-	<u>12,356</u>	1
Total operating revenue	880,765	100	802,820	100	1,865,672	100	1,527,971	100
OPERATING COSTS	<u>411,886</u>	47	<u>375,821</u>	47	<u>873,028</u>	47	<u>728,225</u>	48
GROSS PROFIT	<u>468,879</u>	53	<u>426,999</u>	53	<u>992,644</u>	53	<u>799,746</u>	52
OPERATING EXPENSES								
Selling and marketing expenses	12,526	1	10,882	1	27,779	1	23,664	1
General and administrative expenses	17,835	2	13,907	2	34,472	2	26,260	2
Research and development expenses	176,423	20	147,821	18	375,894	20	283,601	19
Expected credit loss	<u>281</u>	-	<u>170</u>	-	<u>281</u>	-	<u>1,019</u>	-
Total operating expenses	<u>207,065</u>	23	<u>172,780</u>	21	<u>438,426</u>	23	<u>334,544</u>	22
PROFIT FROM OPERATIONS	<u>261,814</u>	30	<u>254,219</u>	32	<u>554,218</u>	30	<u>465,202</u>	30
NON-OPERATING INCOME AND EXPENSES								
Interest income	2,736	-	2,636	-	4,952	-	4,711	1
Other gains and losses	39,373	5	(11,418)	(1)	88,978	5	(12,921)	(1)
Finance costs	<u>(93)</u>	-	<u>(122)</u>	-	<u>(199)</u>	-	<u>(257)</u>	-
Total non-operating income and expenses	<u>42,016</u>	5	<u>(8,904)</u>	(1)	<u>93,731</u>	5	<u>(8,467)</u>	-
PROFIT BEFORE INCOME TAX	303,830	35	245,315	31	647,949	35	456,735	30
INCOME TAX EXPENSE	<u>(48,730)</u>	(6)	<u>(37,649)</u>	(5)	<u>(103,881)</u>	(6)	<u>(64,195)</u>	(5)
NET PROFIT FOR THE PERIOD	<u>255,100</u>	29	<u>207,666</u>	26	<u>544,068</u>	29	<u>392,540</u>	25

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## 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 June 30				For the Six Months Ended June 30			
	2022		2021		2022		2021	
	Amount	%	Amount	%	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME AND LOSS								
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	\$ (15,762)	(2)	\$ (2,913)	(1)	\$ (8,223)	-	\$ (2,913)	-
Items that may be reclassified subsequently to profit or loss								
Exchange differences on translating foreign operations	132	-	(263)	-	912	-	(285)	-
Other comprehensive loss for the period, net of income tax	(15,630)	(2)	(3,176)	(1)	(7,311)	-	(3,198)	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 239,470</u>	<u>27</u>	<u>\$ 204,490</u>	<u>25</u>	<u>\$ 536,757</u>	<u>29</u>	<u>\$ 389,342</u>	<u>25</u>
EARNINGS PER SHARE								
From continuing operations								
Basic	<u>\$ 3.72</u>		<u>\$ 3.08</u>		<u>\$ 7.95</u>		<u>\$ 5.82</u>	
Diluted	<u>\$ 3.61</u>		<u>\$ 2.95</u>		<u>\$ 7.70</u>		<u>\$ 5.57</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 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, 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>\$ -</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>
BALANCE AT JANUARY 1, 2022	\$ 675,000	\$ 11,556	\$ 1,561,112	\$ 68,781	\$ 15,757	\$ 891,773	\$ (21,390)	\$ (819)	\$ 3,201,770
Appropriation of 2021 earnings									
Legal reserve	-	-	-	88,036	-	(88,036)	-	-	-
Special reserve	-	-	-	-	6,452	(6,452)	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(752,323)	-	-	(752,323)
Compensation cost of employee share options	-	-	665	-	-	-	-	-	665
Issuance of stock from exercise of employee share options	9,780	(11,212)	8,538	-	-	-	-	-	7,106
Net profit for the six months ended June 30, 2022	-	-	-	-	-	544,068	-	-	544,068
Other comprehensive (loss) income for the six months ended June 30, 2022	-	-	-	-	-	-	(8,223)	912	(7,311)
Total comprehensive income (loss) for the six months ended June 30, 2022	-	-	-	-	-	544,068	(8,223)	912	536,757
BALANCE AT JUNE 30, 2022	<u>\$ 684,780</u>	<u>\$ 344</u>	<u>\$ 1,570,315</u>	<u>\$ 156,817</u>	<u>\$ 22,209</u>	<u>\$ 589,030</u>	<u>\$ (29,613)</u>	<u>\$ 93</u>	<u>\$ 2,993,975</u>

## VIA LABS, INC. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Six Months Ended	
	June 30	
	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before income tax	\$ 647,949	\$ 456,735
Adjustments for:		
Depreciation expense	33,453	18,121
Amortization expense	25,445	11,223
Expected credit loss recognized on accounts receivable	281	1,019
Finance costs	199	257
Interest income	(4,952)	(4,711)
Compensation cost of employee share options	665	1,590
Gain on lease modification	-	(5)
Changes in operating assets and liabilities		
Financial assets at fair value through profit or loss	(3,067)	(174,893)
Accounts receivable	(15,953)	(140,090)
Accounts receivable - related parties	42	(1,553)
Other receivables	-	(12,216)
Inventories	(214,342)	(119,860)
Other current assets	(228)	1,012
Accounts payable	67,512	124,038
Accounts payable - related parties	(8,122)	9,866
Other payables	75,787	52,362
Provisions	(778)	(345)
Other current liabilities	(29,496)	(9,629)
Net defined benefit liabilities	13	9
Cash generated from operations	<u>574,408</u>	<u>212,930</u>
Interest received	4,895	3,576
Interest paid	(199)	(257)
Income tax paid	<u>(132,888)</u>	<u>(11,354)</u>
Net cash generated from operating activities	<u>446,216</u>	<u>204,895</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at fair value through other comprehensive income	(129,109)	-
Purchase of financial assets at amortized cost	-	(420,000)
Proceeds from sale of financial assets at amortized cost	434,000	-
Payments for property, plant and equipment	(43,365)	(26,783)
(Increase) decrease in refundable deposits	(6,120)	2,012
Payments for intangible assets	<u>(35,647)</u>	<u>(11,218)</u>
Net cash generated from (used in) investing activities	<u>219,759</u>	<u>(455,989)</u>

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## VIA LABS, INC. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Six Months Ended	
	June 30	
	2022	2021
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of the principal portion of lease liabilities	\$ (7,511)	\$ (5,479)
Dividends paid	(752,323)	(303,750)
Proceeds from exercise of employee share options	<u>7,106</u>	<u>-</u>
Net cash used in financing activities	<u>(752,728)</u>	<u>(309,229)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>849</u>	<u>(285)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(85,904)	(560,608)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>1,906,789</u>	<u>2,284,670</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 1,820,885</u>	<u>\$ 1,724,062</u>

(Concluded)