

VIA Labs, Inc. and Subsidiaries

**Consolidated Financial Statements for the
Six Months Ended June 30, 2023 and 2022**

VIA LABS, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	June 30, 2023		December 31, 2022		June 30, 2022	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents	\$ 1,352,289	40	\$ 1,513,917	40	\$ 1,820,885	46
Financial assets at fair value through profit or loss - current	-	-	406	-	-	-
Accounts receivable, net	240,870	7	259,067	7	399,045	10
Other receivables	3,755	-	2,369	-	561	-
Inventories	598,213	18	957,566	25	668,584	17
Other current assets	6,200	-	15,480	-	9,091	-
Total current assets	<u>2,201,327</u>	<u>65</u>	<u>2,748,805</u>	<u>72</u>	<u>2,898,166</u>	<u>73</u>
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current	175,802	5	162,446	4	157,577	4
Financial assets at fair value through other comprehensive income - non-current	667,803	20	638,794	17	589,171	15
Property, plant and equipment	107,848	3	80,828	2	91,544	2
Right-of-use assets	6,649	-	13,355	-	20,053	1
Intangible assets	77,101	2	46,468	1	67,135	2
Deferred tax assets	85,291	3	74,054	2	56,926	1
Other financial assets - non-current	57,052	2	56,278	2	90,160	2
Other non-current assets	7,339	-	7,339	-	1	-
Total non-current assets	<u>1,184,885</u>	<u>35</u>	<u>1,079,562</u>	<u>28</u>	<u>1,072,567</u>	<u>27</u>
TOTAL	<u>\$ 3,386,212</u>	<u>100</u>	<u>\$ 3,828,367</u>	<u>100</u>	<u>\$ 3,970,733</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Notes and accounts payable	\$ 104,305	3	\$ 130,818	4	\$ 350,799	9
Other payables	404,169	12	383,072	10	419,127	11
Current tax liabilities	76,170	2	104,343	3	165,911	4
Provisions - current	7,684	-	4,718	-	6,123	-
Lease liabilities - current	8,069	-	14,855	-	14,912	1
Other current liabilities	9,597	1	6,699	-	9,963	-
Total current liabilities	<u>609,994</u>	<u>18</u>	<u>644,505</u>	<u>17</u>	<u>966,835</u>	<u>25</u>
NON-CURRENT LIABILITIES						
Lease liabilities - non-current	-	-	-	-	6,775	-
Net defined benefit liabilities	2,961	-	2,938	-	3,148	-
Total non-current liabilities	<u>2,961</u>	<u>-</u>	<u>2,938</u>	<u>-</u>	<u>9,923</u>	<u>-</u>
Total liabilities	<u>612,955</u>	<u>18</u>	<u>647,443</u>	<u>17</u>	<u>976,758</u>	<u>25</u>
EQUITY						
Share capital	690,020	20	685,110	18	684,780	17
Capital collected in advance	122	-	4,496	-	344	-
Capital surplus	1,575,480	47	1,571,188	41	1,570,315	40
Retained earnings						
Legal reserve	229,194	7	156,817	4	156,817	4
Special reserve	27,628	1	22,209	1	22,209	-
Unappropriated earnings	268,624	8	768,732	20	589,030	15
Total retained earnings	525,446	16	947,758	25	768,056	19
Other equity	(17,811)	(1)	(27,628)	(1)	(29,520)	(1)
Total equity	<u>2,773,257</u>	<u>82</u>	<u>3,180,924</u>	<u>83</u>	<u>2,993,975</u>	<u>75</u>
TOTAL	<u>\$ 3,386,212</u>	<u>100</u>	<u>\$ 3,828,367</u>	<u>100</u>	<u>\$ 3,970,733</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			
	2023		2022		2023		2022	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE								
Sales	\$ 591,791	100	\$ 880,620	100	\$ 965,822	100	\$ 1,865,527	100
Other operating revenue	-	-	145	-	-	-	145	-
Total operating revenue	591,791	100	880,765	100	965,822	100	1,865,672	100
OPERATING COSTS	313,605	53	411,886	47	507,767	53	873,028	47
GROSS PROFIT	278,186	47	468,879	53	458,055	47	992,644	53
OPERATING EXPENSES								
Selling and marketing expenses	12,386	2	12,526	1	25,132	3	27,779	1
General and administrative expenses	17,702	3	17,835	2	31,754	3	34,472	2
Research and development expenses	178,959	30	176,423	20	327,804	34	375,894	20
Expected credit loss	-	-	281	-	-	-	281	-
Total operating expenses	209,047	35	207,065	23	384,690	40	438,426	23
PROFIT FROM OPERATIONS	69,139	12	261,814	30	73,365	7	554,218	30
NON-OPERATING INCOME AND EXPENSES								
Interest income	9,004	1	2,736	-	16,592	2	4,952	-
Other gains and losses	17,151	3	39,373	5	23,302	3	88,978	5
Finance costs	(37)	-	(93)	-	(88)	-	(199)	-
Total non-operating income and expenses	26,118	4	42,016	5	39,806	5	93,731	5
PROFIT BEFORE INCOME TAX	95,257	16	303,830	35	113,171	12	647,949	35
INCOME TAX EXPENSE	(15,880)	(3)	(48,730)	(6)	(18,748)	(2)	(103,881)	(6)
NET PROFIT FOR THE PERIOD	79,377	13	255,100	29	94,423	10	544,068	29

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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			
	2023		2022		2023		2022	
	Amount	%	Amount	%	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME AND LOSS								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	\$ 11,031	2	\$ (15,762)	(2)	\$ 9,991	1	\$ (8,223)	-
Items that may be reclassified subsequently to profit or loss								
Exchange differences on translating foreign operations	(149)	-	132	-	(174)	-	912	-
Other comprehensive income (loss) for the period, net of income tax	10,882	2	(15,630)	(2)	9,817	1	(7,311)	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 90,259</u>	<u>15</u>	<u>\$ 239,470</u>	<u>27</u>	<u>\$ 104,240</u>	<u>11</u>	<u>\$ 536,757</u>	<u>29</u>
EARNINGS PER SHARE								
From continuing operations								
Basic	<u>\$ 1.15</u>		<u>\$ 3.72</u>		<u>\$ 1.37</u>		<u>\$ 7.95</u>	
Diluted	<u>\$ 1.13</u>		<u>\$ 3.61</u>		<u>\$ 1.34</u>		<u>\$ 7.70</u>	

(Concluded)

VIA LABS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(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 Gain or Loss on Financial Assets at Fair Value Through Other Comprehensive Income	Exchange Differences on Translating Foreign Operations	
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	\$ 684,780	\$ 344	\$ 1,570,315	\$ 156,817	\$ 22,209	\$ 589,030	\$ (29,613)	\$ 93	\$ 2,993,975
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)
Compensation cost of employee share options	-	-	300	-	-	-	-	-	300
Issuance of stock from exercise of employee share options	4,910	(4,374)	3,992	-	-	-	-	-	4,528
Net profit for the six months ended June 30, 2023	-	-	-	-	-	94,423	-	-	94,423
Other comprehensive income (loss) for the six months ended June 30, 2023	-	-	-	-	-	-	9,991	(174)	9,817
Total comprehensive income (loss) for the six months ended June 30, 2023	-	-	-	-	-	94,423	9,991	(174)	104,240
BALANCE AT JUNE 30, 2023	\$ 690,020	\$ 122	\$ 1,575,480	\$ 229,194	\$ 27,628	\$ 268,624	\$ (18,006)	\$ 195	\$ 2,773,257

VIA LABS, INC. AND SUBSIDIARIES

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

	For the Six Months Ended June 30	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 113,171	\$ 647,949
Adjustments for:		
Depreciation expense	39,258	33,453
Amortization expense	26,587	25,445
Expected credit loss recognized on accounts receivable	-	281
Finance costs	88	199
Interest income	(16,592)	(4,952)
Compensation cost of employee share options	300	665
Changes in operating assets and liabilities		
Financial assets at fair value through profit or loss	(12,950)	(3,067)
Accounts receivable	18,197	(15,911)
Inventories	359,353	(214,342)
Other current assets	9,280	(228)
Notes and accounts payable	(26,513)	59,390
Other payables	(6,959)	75,787
Provisions	2,966	(778)
Other current liabilities	2,898	(29,496)
Net defined benefit liabilities	23	13
Cash generated from operations	509,107	574,408
Interest received	15,206	4,895
Interest paid	(88)	(199)
Income tax paid	(58,158)	(132,888)
Net cash generated from operating activities	<u>466,067</u>	<u>446,216</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(19,018)	(129,109)
Proceeds from sale of financial assets at amortized cost	-	434,000
Payments for property, plant and equipment	(58,732)	(43,365)
Payments for intangible assets	(30,088)	(35,647)
Increase in other financial assets	(774)	(6,120)
Net cash (used in) generated from investing activities	<u>(108,612)</u>	<u>219,759</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of the principal portion of lease liabilities	(6,786)	(7,511)
Dividends paid	(516,735)	(752,323)
Proceeds from exercise of employee share options	4,528	7,106
Net cash used in financing activities	<u>(518,993)</u>	<u>(752,728)</u>

(Continued)

VIA LABS, INC. AND SUBSIDIARIES

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

	For the Six Months Ended	
	June 30	
	2023	2022
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	\$ (90)	\$ 849
NET DECREASE IN CASH AND CASH EQUIVALENTS	(161,628)	(85,904)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>1,513,917</u>	<u>1,906,789</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 1,352,289</u>	<u>\$ 1,820,885</u>

(Concluded)