

VIA Technologies, Inc. and Subsidiaries

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

VIA TECHNOLOGIES, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

	June 30, 2021 (Reviewed)		December 31, 2020 (Audited)		June 30, 2020 (Reviewed)	
ASSETS	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents	\$ 4,076,916	23	\$ 4,351,660	24	\$ 2,476,269	27
Financial assets at fair value through profit or loss - current	218,375	1	151,811	1	153,724	2
Financial assets at amortized cost - current	2,346,620	13	60,000	-	126,810	1
Accounts receivable, net	528,613	3	426,138	2	489,270	5
Accounts receivable - related parties	8,957	-	3,281	-	77,912	1
Other receivables	3,347,076	19	7,387,647	40	36,664	-
Inventories	1,042,619	6	841,016	5	915,042	10
Other current assets	<u>215,161</u>	<u>1</u>	<u>184,362</u>	<u>1</u>	<u>112,765</u>	<u>1</u>
Total current assets	<u>11,784,337</u>	<u>66</u>	<u>13,405,915</u>	<u>73</u>	<u>4,388,456</u>	<u>47</u>
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current	1,392,237	8	171,600	1	59,285	1
Financial assets at fair value through other comprehensive income - non-current	107,033	1	110,354	1	111,463	1
Investments accounted for using the equity method	133,737	1	234,022	1	340,171	4
Property, plant and equipment	2,016,510	11	2,019,429	11	1,997,064	22
Right-of-use assets	367,432	2	277,940	1	312,698	3
Investment properties, net	1,870,055	10	1,888,919	10	1,809,170	19
Intangible assets	49,734	-	58,025	-	61,348	1
Deferred tax assets	17,611	-	14,879	-	13,598	-
Refundable deposits	101,727	1	123,137	1	51,289	1
Other financial assets - non-current	-	-	112,044	1	114,837	1
Other assets - non-current	<u>20,875</u>	<u>-</u>	<u>25,786</u>	<u>-</u>	<u>900</u>	<u>-</u>
Total non-current assets	<u>6,076,951</u>	<u>34</u>	<u>5,036,135</u>	<u>27</u>	<u>4,871,823</u>	<u>53</u>
TOTAL	<u>\$ 17,861,288</u>	<u>100</u>	<u>\$ 18,442,050</u>	<u>100</u>	<u>\$ 9,260,279</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Financial liabilities at fair value through profit or loss - current	\$ 552	-	\$ -	-	\$ 1,212	-
Notes payable	558	-	541	-	579	-
Accounts payable	576,742	3	521,713	3	412,175	4
Accounts payable - related parties	17,491	-	19,286	-	10,496	-
Dividends payable	395,517	2	-	-	-	-
Other payables	1,420,147	8	1,456,445	8	1,060,432	12
Current tax liabilities	523,691	3	748,868	4	15,328	-
Provisions - current	9,467	-	10,332	-	9,810	-
Lease liabilities - current	87,292	1	73,666	-	89,825	1
Current portion of long-term borrowings	500,000	3	120,000	1	1,659,339	18
Other current liabilities	<u>224,584</u>	<u>1</u>	<u>105,796</u>	<u>1</u>	<u>152,069</u>	<u>2</u>
Total current liabilities	<u>3,756,041</u>	<u>21</u>	<u>3,056,647</u>	<u>17</u>	<u>3,411,265</u>	<u>37</u>
NON-CURRENT LIABILITIES						
Long-term borrowings	1,273,000	7	1,725,000	9	1,160,000	12
Long-term bills payable	853,175	5	1,189,101	6	-	-
Deferred tax liabilities	198,437	1	200,383	1	191,029	2
Lease liabilities - non-current	210,361	1	132,168	1	159,658	2
Long-term borrowings - related parties	-	-	96,925	1	185,761	2
Net defined benefit liabilities	340,661	2	339,947	2	326,851	4
Credit balance of investments accounted for using the equity method	4	-	1,081,258	6	-	-
Other non-current liabilities	<u>52,125</u>	<u>-</u>	<u>46,194</u>	<u>-</u>	<u>19,628</u>	<u>-</u>
Total non-current liabilities	<u>2,927,763</u>	<u>16</u>	<u>4,810,976</u>	<u>26</u>	<u>2,042,927</u>	<u>22</u>
Total liabilities	<u>6,683,804</u>	<u>37</u>	<u>7,867,623</u>	<u>43</u>	<u>5,454,192</u>	<u>59</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY						
Share capital	4,943,959	28	4,933,034	27	4,933,034	53
Capital collected in advance	-	-	18,824	-	-	-
Capital surplus	1,201,490	7	1,168,504	6	134,274	2
Retained earnings (accumulated deficits)						
Legal reserve	354,878	2	-	-	-	-
Special reserve	595,929	3	-	-	-	-
Unappropriated earnings (accumulated deficits)	3,382,735	19	3,548,777	19	(1,265,885)	(14)
Other equity	<u>(626,388)</u>	<u>(4)</u>	<u>(370,709)</u>	<u>(2)</u>	<u>(429,150)</u>	<u>(5)</u>
Total equity attributable to owners of the Company	9,852,603	55	9,298,430	50	3,372,273	36
NON-CONTROLLING INTERESTS	<u>1,324,881</u>	<u>8</u>	<u>1,275,997</u>	<u>7</u>	<u>433,814</u>	<u>5</u>
Total equity	<u>11,177,484</u>	<u>63</u>	<u>10,574,427</u>	<u>57</u>	<u>3,806,087</u>	<u>41</u>
TOTAL	<u>\$ 17,861,288</u>	<u>100</u>	<u>\$ 18,442,050</u>	<u>100</u>	<u>\$ 9,260,279</u>	<u>100</u>

VIA TECHNOLOGIES, INC. AND SUBSIDIARIES

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

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2021		2020		2021		2020	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE	\$ 1,617,772	100	\$ 1,508,775	100	\$ 3,187,472	100	\$ 3,026,094	100
OPERATING COSTS	<u>1,029,243</u>	<u>64</u>	<u>995,366</u>	<u>66</u>	<u>2,050,748</u>	<u>64</u>	<u>1,969,214</u>	<u>65</u>
GROSS PROFIT	<u>588,529</u>	<u>36</u>	<u>513,409</u>	<u>34</u>	<u>1,136,724</u>	<u>36</u>	<u>1,056,880</u>	<u>35</u>
OPERATING EXPENSES								
Selling and marketing expenses	169,016	10	152,453	10	358,760	11	328,329	11
General and administrative expenses	122,570	8	124,019	9	241,008	8	230,368	7
Research and development expenses	572,795	35	333,764	22	1,303,517	41	655,382	22
Expected credit loss	<u>731</u>	<u>-</u>	<u>39</u>	<u>-</u>	<u>1,580</u>	<u>-</u>	<u>354</u>	<u>-</u>
Total operating expenses	<u>865,112</u>	<u>53</u>	<u>610,275</u>	<u>41</u>	<u>1,904,865</u>	<u>60</u>	<u>1,214,433</u>	<u>40</u>
LOSS FROM OPERATIONS	<u>(276,583)</u>	<u>(17)</u>	<u>(96,866)</u>	<u>(7)</u>	<u>(768,141)</u>	<u>(24)</u>	<u>(157,553)</u>	<u>(5)</u>
NON-OPERATING INCOME AND EXPENSES								
Interest income	4,178	-	4,682	-	7,201	-	12,379	-
Other income	60,448	4	15,061	1	99,259	3	49,177	2
Other gains and losses	(6,420)	-	20,605	2	2,237,373	70	99,368	3
Finance costs	(11,654)	(1)	(13,155)	(1)	(24,584)	-	(27,474)	(1)
Share of profit or loss of associates	<u>(3,374)</u>	<u>-</u>	<u>(1,088)</u>	<u>-</u>	<u>(4,708)</u>	<u>-</u>	<u>(4,050)</u>	<u>-</u>
Total non-operating income and expenses	<u>43,178</u>	<u>3</u>	<u>26,105</u>	<u>2</u>	<u>2,314,541</u>	<u>73</u>	<u>129,400</u>	<u>4</u>
(LOSS) PROFIT BEFORE INCOME TAX	(233,405)	(14)	(70,761)	(5)	1,546,400	49	(28,153)	(1)
INCOME TAX EXPENSE	<u>(159,715)</u>	<u>(10)</u>	<u>(6,937)</u>	<u>-</u>	<u>(187,596)</u>	<u>(6)</u>	<u>(18,458)</u>	<u>(1)</u>
NET (LOSS) PROFIT FOR THE PERIOD	<u>(393,120)</u>	<u>(24)</u>	<u>(77,698)</u>	<u>(5)</u>	<u>1,358,804</u>	<u>43</u>	<u>(46,611)</u>	<u>(2)</u>

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VIA TECHNOLOGIES, INC. AND SUBSIDIARIES

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

	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	\$ (6,447)	(1)	\$ 13,506	1	\$ (3,321)	-	\$ (4,683)	-
Items that may be reclassified subsequently to profit or loss								
Exchange differences on translating foreign operations	(175,625)	(11)	(64,068)	(4)	(251,132)	(8)	(66,793)	(2)
Share of the other comprehensive loss of associates	(1,073)	-	(6,753)	(1)	(2,583)	-	(3,062)	-
Other comprehensive loss for the period, net of income tax	(183,145)	(12)	(57,315)	(4)	(257,036)	(8)	(74,538)	(2)
TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE PERIOD	<u>\$ (576,265)</u>	<u>(36)</u>	<u>\$ (135,013)</u>	<u>(9)</u>	<u>\$ 1,101,768</u>	<u>35</u>	<u>\$ (121,149)</u>	<u>(4)</u>
NET (LOSS) PROFIT ATTRIBUTABLE TO:								
Owners of the Company	\$ (485,984)	(30)	\$ (109,043)	(7)	\$ 1,180,282	37	\$ (104,031)	(4)
Non-controlling interests	<u>92,864</u>	<u>6</u>	<u>31,345</u>	<u>2</u>	<u>178,522</u>	<u>6</u>	<u>57,420</u>	<u>2</u>
	<u>\$ (393,120)</u>	<u>(24)</u>	<u>\$ (77,698)</u>	<u>(5)</u>	<u>\$ 1,358,804</u>	<u>43</u>	<u>\$ (46,611)</u>	<u>(2)</u>
TOTAL COMPREHENSIVE (LOSS) INCOME ATTRIBUTABLE TO:								
Owners of the Company	\$ (667,782)	(41)	\$ (167,580)	(11)	\$ 924,603	29	\$ (178,409)	(6)
Non-controlling interests	<u>91,517</u>	<u>5</u>	<u>32,567</u>	<u>2</u>	<u>177,165</u>	<u>6</u>	<u>57,260</u>	<u>2</u>
	<u>\$ (576,265)</u>	<u>(36)</u>	<u>\$ (135,013)</u>	<u>(9)</u>	<u>\$ 1,101,768</u>	<u>35</u>	<u>\$ (121,149)</u>	<u>(4)</u>
(LOSS) EARNINGS PER SHARE								
From continuing operations								
Basic	<u>\$ (0.98)</u>		<u>\$ (0.22)</u>		<u>\$ 2.39</u>		<u>\$ (0.21)</u>	
Diluted	<u>\$ (0.98)</u>		<u>\$ (0.22)</u>		<u>\$ 2.33</u>		<u>\$ (0.21)</u>	

(Concluded)

VIA TECHNOLOGIES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (In Thousands of New Taiwan Dollars) (Reviewed, Not Audited)

	Equity Attributable to Owners of the Company						Other Equity				
	Share Capital	Capital Collected in Advance	Capital Surplus	Retained Earnings			Exchange Differences on Translating Foreign Operations	Unrealized Gain or Loss on Financial Assets at Fair Value Through Other Comprehensive Income	Total Equity Attributable to Owners of the Company	Non-controlling Interests	Total Equity
				Legal Reserve	Special Reserve	Unappropriated Earnings (Accumulated Deficits)					
BALANCE, JANUARY 1, 2020	\$ 4,933,034	\$ -	\$ 113,696	\$ -	\$ -	\$ (1,161,854)	\$ (355,173)	\$ 401	\$ 3,530,104	\$ 442,654	\$ 3,972,758
Net (loss) profit for the six months ended June 30, 2020	-	-	-	-	-	(104,031)	-	-	(104,031)	57,420	(46,611)
Other comprehensive loss for the six months ended June 30, 2020	-	-	-	-	-	-	(69,767)	(4,611)	(74,378)	(160)	(74,538)
Total comprehensive (loss) income for the six months ended June 30, 2020	-	-	-	-	-	(104,031)	(69,767)	(4,611)	(178,409)	57,260	(121,149)
Cash dividends distributed by the subsidiary	-	-	-	-	-	-	-	-	-	(66,664)	(66,664)
Change in capital surplus from investments in associates	-	-	193	-	-	-	-	-	193	-	193
Share-based payment transaction	-	-	19,275	-	-	-	-	-	19,275	-	19,275
Recognition of employee share options issued by the subsidiary	-	-	1,110	-	-	-	-	-	1,110	564	1,674
BALANCE, JUNE 30, 2020	<u>\$ 4,933,034</u>	<u>\$ -</u>	<u>\$ 134,274</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,265,885)</u>	<u>\$ (424,940)</u>	<u>\$ (4,210)</u>	<u>\$ 3,372,273</u>	<u>\$ 433,814</u>	<u>\$ 3,806,087</u>
BALANCE, JANUARY 1, 2021	\$ 4,933,034	\$ 18,824	\$ 1,168,504	\$ -	\$ -	\$ 3,548,777	\$ (360,861)	\$ (9,848)	\$ 9,298,430	\$ 1,275,997	\$ 10,574,427
Appropriation of 2020 earnings											
Legal reserve	-	-	-	354,878	-	(354,878)	-	-	-	-	-
Special reserve	-	-	-	-	595,929	(595,929)	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(395,517)	-	-	(395,517)	-	(395,517)
Net profit for the six months ended June 30, 2021	-	-	-	-	-	1,180,282	-	-	1,180,282	178,522	1,358,804
Other comprehensive loss for the six months ended June 30, 2021	-	-	-	-	-	-	(253,594)	(2,085)	(255,679)	(1,357)	(257,036)
Total comprehensive income (loss) for the six months ended June 30, 2021	-	-	-	-	-	1,180,282	(253,594)	(2,085)	924,603	177,165	1,101,768
Cash dividends distributed by the subsidiary	-	-	-	-	-	-	-	-	-	(128,956)	(128,956)
Change in capital surplus from investments in associates	-	-	80	-	-	-	-	-	80	-	80
Share-based payment transaction	-	-	15,713	-	-	-	-	-	15,713	-	15,713
Issuance of stock from exercise of employee share options	10,925	(18,824)	16,278	-	-	-	-	-	8,379	-	8,379
Recognition of employee share options issued by the subsidiary	-	-	915	-	-	-	-	-	915	675	1,590
BALANCE, JUNE 30, 2021	<u>\$ 4,943,959</u>	<u>\$ -</u>	<u>\$ 1,201,490</u>	<u>\$ 354,878</u>	<u>\$ 595,929</u>	<u>\$ 3,382,735</u>	<u>\$ (614,455)</u>	<u>\$ (11,933)</u>	<u>\$ 9,852,603</u>	<u>\$ 1,324,881</u>	<u>\$ 11,177,484</u>

VIA TECHNOLOGIES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Six Months Ended June 30	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit (loss) before income tax	\$ 1,546,400	\$ (28,153)
Adjustments for:		
Depreciation expense	124,867	124,169
Amortization expense	16,128	18,770
Expected credit loss recognized on accounts receivable	1,580	354
Finance costs	24,584	27,474
Interest income	(7,201)	(12,379)
Dividend income	(3,527)	-
Compensation costs of employee share options	17,303	20,949
Share of profit or loss of associates	4,708	4,050
Loss on disposal of property, plant and equipment	276	183
Gain on disposal of intangible assets	(1,081,258)	(116,497)
Gain on disposal of subsidiaries	-	(12,963)
Gain on lease modification	(5)	(33)
Changes in operating assets and liabilities		
Financial assets at fair value through profit or loss	(1,377,073)	14,218
Accounts receivable	(104,055)	(98,349)
Accounts receivable - related parties	(5,676)	(53,474)
Other receivables	(7,462)	19,014
Inventories	(201,603)	(97,598)
Other current assets	(30,799)	(3,468)
Other non-current assets	4,911	(900)
Financial liabilities at fair value through profit or loss	552	(1,895)
Notes payable	17	(2,266)
Accounts payable	55,029	104,502
Accounts payable - related parties	(1,795)	(6,256)
Other payables	(11,382)	(12,629)
Provisions	(865)	331
Other current liabilities	118,788	(2,353)
Net defined benefit liabilities	714	877
Other non-current liabilities	-	(2,091)
Cash used in operations	(916,844)	(116,413)
Interest received	6,071	12,669
Dividend received	3,527	-
Interest paid	(24,683)	(26,674)
Income tax paid	(415,505)	(46,794)
Net cash used in operating activities	(1,347,434)	(177,212)

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VIA TECHNOLOGIES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Six Months Ended June 30	
	2021	2020
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	\$ (2,321,720)	\$ (55,428)
Proceeds from sale of financial assets at amortized cost	35,100	58,815
Payments for property, plant and equipment	(91,294)	(49,801)
Proceeds from disposal of property, plant and equipment	169	87
Increase in refundable deposits	(1,134)	(57)
Decrease in refundable deposits	22,269	620
Payments for intangible assets	(13,213)	(18,933)
Proceeds from disposal of intangible assets	3,809,864	-
Payments for investment properties	-	(160)
Decrease in other financial assets	112,044	-
Dividend received from associates	<u>93,078</u>	<u>90,003</u>
Net cash generated from investing activities	<u>1,645,163</u>	<u>25,146</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in long-term bills payable	-	192,000
Decrease in long-term bills payable	(336,000)	-
Proceeds from long-term borrowings	510,000	488,000
Repayments of long-term borrowings	(582,000)	(430,000)
Increase in guarantee deposits	427	9,128
Decrease in guarantee deposits	(817)	(21)
Decrease in other payables - related parties	(96,925)	(85,322)
Repayment of the principal portion of lease liabilities	(49,785)	(56,760)
Proceeds from exercise of employee share options	8,379	-
Partial disposal of interests in the subsidiary without a loss of control	160,126	-
Dividends paid	<u>(128,956)</u>	<u>-</u>
Net cash (used in) generated from financing activities	<u>(515,551)</u>	<u>117,025</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>(56,922)</u>	<u>(19,794)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>(274,744)</u>	<u>(54,835)</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>4,351,660</u>	<u>2,531,104</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 4,076,916</u>	<u>\$ 2,476,269</u>

(Concluded)