

# **VIA Technologies, Inc. and Subsidiaries**

**Consolidated Financial Statements for the  
Years Ended December 31, 2021 and 2020 and  
Independent Auditors' Report**

# VIA TECHNOLOGIES, INC. AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

ASSETS	2021		2020	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 10,479,747	48	\$ 4,351,660	24
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	538,496	3	151,811	1
Financial assets at amortized cost - current (Notes 4 and 9)	1,546,144	7	60,000	-
Accounts receivable, net (Notes 4 and 10)	654,595	3	426,138	2
Accounts receivable - related parties (Notes 4, 10 and 35)	2,750	-	3,281	-
Other receivables (Notes 4, 10, 31 and 35)	30,375	-	7,387,647	40
Inventories (Notes 4, 5 and 11)	1,611,635	7	841,016	5
Other current assets (Note 19)	265,390	1	184,362	1
Total current assets	15,129,132	69	13,405,915	73
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current (Notes 4, 7 and 36)	1,636,818	8	171,600	1
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	670,115	3	110,354	1
Investments accounted for using the equity method (Notes 4 and 14)	131,681	1	234,022	1
Property, plant and equipment (Notes 4, 15 and 36)	1,979,612	9	2,019,429	11
Right-of-use assets (Notes 4 and 16)	280,968	1	277,940	1
Investment properties, net (Notes 4, 5, 17 and 36)	1,852,026	8	1,888,919	10
Intangible assets (Notes 4 and 18)	64,223	-	58,025	-
Deferred tax assets (Notes 4 and 28)	36,269	-	14,879	-
Refundable deposits (Note 19)	104,282	1	123,137	1
Other financial assets - non-current (Notes 4, 12, 36 and 37)	-	-	112,044	1
Other assets - non-current (Note 19)	15,824	-	25,786	-
Total non-current assets	6,771,818	31	5,036,135	27
TOTAL	\$ 21,900,950	100	\$ 18,442,050	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Notes payable (Note 21)	\$ 729	-	\$ 541	-
Accounts payable (Note 21)	920,756	4	521,713	3
Accounts payable - related parties (Notes 21 and 35)	33,695	-	19,286	-
Other payables (Notes 22 and 35)	1,724,845	8	1,456,445	8
Current tax liabilities (Notes 4 and 28)	349,695	2	748,868	4
Provisions - current (Notes 4 and 23)	139,684	1	10,332	-
Lease liabilities - current (Notes 4, 16 and 35)	86,420	-	73,666	-
Current portion of long-term borrowings (Note 20)	950,000	4	120,000	1
Other current liabilities (Note 22)	500,744	2	105,796	1
Total current liabilities	4,706,568	21	3,056,647	17
NON-CURRENT LIABILITIES				
Long-term borrowings (Note 20)	1,165,000	5	1,725,000	9
Long-term bills payable (Note 20)	1,101,484	5	1,189,101	6
Deferred tax liabilities (Notes 4 and 28)	195,270	1	200,383	1
Lease liabilities - non-current (Notes 4, 16 and 35)	178,306	1	132,168	1
Long-term borrowings - related parties (Note 35)	-	-	96,925	1
Net defined benefit liabilities (Notes 4 and 24)	353,817	2	339,947	2
Credit balance of investments accounted for using the equity method (Notes 14 and 22)	32	-	1,081,258	6
Other non-current liabilities (Note 22)	50,866	-	46,194	-
Total non-current liabilities	3,044,775	14	4,810,976	26
Total liabilities	7,751,343	35	7,867,623	43
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 25)				
Share capital	4,944,109	23	4,933,034	27
Capital collected in advance	24,881	-	18,824	-
Capital surplus	1,209,690	6	1,168,504	6
Retained earnings				
Legal reserve	354,878	1	-	-
Special reserve	595,929	3	-	-
Unappropriated earnings	6,150,928	28	3,548,777	19
Other equity	(689,468)	(3)	(370,709)	(2)
Total equity attributable to owners of the Company	12,590,947	58	9,298,430	50
NON-CONTROLLING INTERESTS (Note 25)	1,558,660	7	1,275,997	7
Total equity	14,149,607	65	10,574,427	57
TOTAL	\$ 21,900,950	100	\$ 18,442,050	100

The accompanying notes are an integral part of the consolidated financial statements.

# VIA TECHNOLOGIES, INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 26 and 35)	\$ 7,001,135	100	\$ 6,502,715	100
OPERATING COSTS (Notes 11, 24, 27 and 35)	<u>4,478,822</u>	<u>64</u>	<u>4,447,181</u>	<u>68</u>
GROSS PROFIT	<u>2,522,313</u>	<u>36</u>	<u>2,055,534</u>	<u>32</u>
OPERATING EXPENSES (Notes 10, 24, 27 and 35)				
Selling and marketing expenses	735,954	10	654,752	10
General and administrative expenses	598,880	9	485,615	8
Research and development expenses	2,626,469	38	1,693,635	26
Expected credit loss	<u>3,091</u>	<u>-</u>	<u>452</u>	<u>-</u>
Total operating expenses	<u>3,964,394</u>	<u>57</u>	<u>2,834,454</u>	<u>44</u>
LOSS FROM OPERATIONS	<u>(1,442,081)</u>	<u>(21)</u>	<u>(778,920)</u>	<u>(12)</u>
NON-OPERATING INCOME AND EXPENSES (Notes 14, 27 and 35)				
Interest income	17,734	-	15,676	-
Other income	3,693,668	53	137,916	2
Other gains and losses	2,483,324	36	6,315,536	97
Finance costs	(53,187)	(1)	(54,492)	(1)
Share of profit or loss of associates	<u>(6,146)</u>	<u>-</u>	<u>(10,737)</u>	<u>-</u>
Total non-operating income and expenses	<u>6,135,393</u>	<u>88</u>	<u>6,403,899</u>	<u>98</u>
PROFIT BEFORE INCOME TAX	4,693,312	67	5,624,979	86
INCOME TAX EXPENSE (Notes 4 and 28)	<u>(338,225)</u>	<u>(5)</u>	<u>(780,145)</u>	<u>(12)</u>
NET PROFIT FOR THE YEAR	<u>4,355,087</u>	<u>62</u>	<u>4,844,834</u>	<u>74</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 24 and 25)				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of defined benefit plans	(12,445)	-	(11,935)	-
Unrealized gain or loss on investments in equity instruments at fair value through other comprehensive income	(15,291)	(1)	(14,444)	-

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# VIA TECHNOLOGIES, INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translating foreign operations	\$ (303,525)	(4)	\$ (23,943)	-
Share of the other comprehensive (loss) income of associates	<u>(2,681)</u>	<u>-</u>	<u>22,193</u>	<u>-</u>
Other comprehensive loss for the year, net of income tax	<u>(333,942)</u>	<u>(5)</u>	<u>(28,129)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 4,021,145</u>	<u>57</u>	<u>\$ 4,816,705</u>	<u>74</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 3,960,944	56	\$ 4,722,646	72
Non-controlling interests	<u>394,143</u>	<u>6</u>	<u>122,188</u>	<u>2</u>
	<u>\$ 4,355,087</u>	<u>62</u>	<u>\$ 4,844,834</u>	<u>74</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 3,629,716	52	\$ 4,694,694	72
Non-controlling interests	<u>391,429</u>	<u>5</u>	<u>122,011</u>	<u>2</u>
	<u>\$ 4,021,145</u>	<u>57</u>	<u>\$ 4,816,705</u>	<u>74</u>
EARNINGS PER SHARE (Note 29)				
From continuing operations				
Basic	<u>\$ 8.01</u>		<u>\$ 9.57</u>	
Diluted	<u>\$ 7.84</u>		<u>\$ 9.36</u>	

The accompanying notes are an integral part of the consolidated financial statements.

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# VIA TECHNOLOGIES, INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company										
	Retained Earnings						Other Equity		Total Equity Attributable to Owners of the Company	Non-controlling Interests	Total Equity
	Share Capital	Capital Collected in Advance	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings (Accumulated Deficits)	Exchange Differences on Translating Foreign Operations	Unrealized Gain or Loss on Financial Assets at Fair Value Through Other Comprehensive Income			
BALANCE, JANUARY 1, 2020	\$ 4,933,034	\$ -	\$ 113,696	\$ -	\$ -	\$ (1,161,854)	\$ (355,173)	\$ 401	\$ 3,530,104	\$ 442,654	\$ 3,972,758
Net profit for the year ended December 31, 2020	-	-	-	-	-	4,722,646	-	-	4,722,646	122,188	4,844,834
Other comprehensive loss for the year ended December 31, 2020	-	-	-	-	-	(12,015)	(5,688)	(10,249)	(27,952)	(177)	(28,129)
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	-	4,710,631	(5,688)	(10,249)	4,694,694	122,011	4,816,705
Cash dividends distributed by the subsidiary	-	-	-	-	-	-	-	-	-	(66,664)	(66,664)
Change in capital surplus from investments in associates	-	-	2,793	-	-	-	-	-	2,793	-	2,793
Share-based payment transaction (Note 30)	-	-	39,776	-	-	-	-	-	39,776	-	39,776
Issuance of stock from exercise of employee stock options	-	18,824	-	-	-	-	-	-	18,824	-	18,824
Changes in percentage of ownership interests in the subsidiary (Note 31)	-	-	1,009,033	-	-	-	-	-	1,009,033	776,369	1,785,402
Recognition of employee share options issued by the subsidiary (Note 30)	-	-	3,206	-	-	-	-	-	3,206	1,627	4,833
BALANCE AT DECEMBER 31, 2020	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	-	-	-	-	-	(395,517)	-	-	(395,517)	-	(395,517)
Net profit for the year ended December 31, 2021	-	-	-	-	-	3,960,944	-	-	3,960,944	394,143	4,355,087
Other comprehensive loss for the year ended December 31, 2021	-	-	-	-	-	(12,469)	(306,109)	(12,650)	(331,228)	(2,714)	(333,942)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	3,948,475	(306,109)	(12,650)	3,629,716	391,429	4,021,145
Cash dividends distributed by the subsidiary	-	-	-	-	-	-	-	-	-	(128,956)	(128,956)
Change in capital surplus from investments in associates	-	-	252	-	-	-	-	-	252	-	252
Share-based payment transaction (Note 30)	-	-	29,887	-	-	-	-	-	29,887	-	29,887
Issuance of stock from exercise of employee stock options	11,075	6,057	16,502	-	-	-	-	-	33,634	-	33,634
Changes in percentage of ownership interests in the subsidiary (Note 31)	-	-	(7,284)	-	-	-	-	-	(7,284)	18,840	11,556
Recognition of employee share options issued by the subsidiary (Note 30)	-	-	1,829	-	-	-	-	-	1,829	1,350	3,179
BALANCE AT DECEMBER 31, 2021	\$ 4,944,109	\$ 24,881	\$ 1,209,690	\$ 354,878	\$ 595,929	\$ 6,150,928	\$ (666,970)	\$ (22,498)	\$ 12,590,947	\$ 1,558,660	\$ 14,149,607

The accompanying notes are an integral part of the consolidated financial statements.

# VIA TECHNOLOGIES, INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 4,693,312	\$ 5,624,979
Adjustments for:		
Depreciation expense	254,193	245,740
Amortization expense	36,629	36,679
Expected credit loss recognized on accounts receivable	3,091	452
Finance costs	53,187	54,492
Interest income	(17,734)	(15,676)
Dividend income	(3,891)	(3,217)
Compensation costs of employee share options	33,066	44,609
Share of profit or loss of associates	6,146	10,737
Loss on disposal of property, plant and equipment	5,552	7,394
Gain on disposal of intangible assets	(1,081,258)	(6,365,801)
Gain on disposal of subsidiaries	-	(12,963)
Impairment loss recognized on property, plant and equipment and right-of-use assets	73,231	-
Loss (gain) on changes in fair value of investment properties	27,264	(11,750)
Gain on lease modification	(12)	(4,772)
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	(1,922,737)	(65,859)
Accounts receivable	(231,548)	(35,315)
Accounts receivable - related parties	531	21,157
Other receivables	9,288	15,967
Inventories	(770,619)	(23,572)
Other current assets	(81,180)	(75,103)
Other non-current assets	9,962	(25,786)
Financial liabilities at fair value through profit or loss	-	(3,107)
Notes payable	188	(2,304)
Accounts payable	399,043	214,040
Accounts payable - related parties	14,409	2,534
Other payables	283,169	442,185
Provisions	129,352	853
Other current liabilities	394,948	(48,626)
Net defined benefit liabilities	1,425	2,038
Other non-current liabilities	-	(4,109)
Cash generated from operations	2,319,007	25,896
Interest received	17,430	16,318
Dividends received	3,891	3,217
Interest paid	(52,650)	(54,937)
Income tax paid	(762,757)	(73,843)
Net cash generated from (used in) operating activities	1,524,921	(83,349)

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# VIA TECHNOLOGIES, INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at fair value through other comprehensive income	\$ (575,052)	\$ (8,652)
Purchase of financial assets at amortized cost	(3,165,064)	(55,734)
Proceeds from sale of financial assets at amortized cost	1,678,920	125,931
Payments for property, plant and equipment	(153,361)	(121,888)
Proceeds from disposal of property, plant and equipment	2,354	1,172
Increase in refundable deposits	(5,376)	(87,373)
Decrease in refundable deposits	23,865	15,956
Payments for intangible assets	(45,683)	(40,666)
Proceeds from disposal of intangible assets	7,188,162	142,400
Payments for investment properties	-	(160)
Decrease in other financial assets	112,044	-
Dividends received from associates	<u>93,260</u>	<u>186,995</u>
Net cash generated from investing activities	<u>5,154,069</u>	<u>157,981</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase in long-term bills payable	248,000	278,000
Decrease in long-term bills payable	(336,000)	(72,000)
Proceeds from long-term borrowings	1,142,000	928,000
Repayments of long-term borrowings	(872,000)	(669,000)
Increase in guarantee deposits	1,162	37,521
Decrease in guarantee deposits	(1,188)	(105)
Decrease in other payables - related parties	(96,925)	(184,245)
Repayment of the principal portion of lease liabilities	(98,086)	(103,434)
Distribution of cash dividends	(395,517)	-
Proceeds from exercise of employee share options	33,634	18,824
Partial disposal of interests in the subsidiary without a loss of control (Note 31)	171,682	1,625,276
Dividends paid to non-controlling interests	<u>(128,956)</u>	<u>(66,664)</u>
Net cash (used in) generated from financing activities	<u>(332,194)</u>	<u>1,792,173</u>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES</b>	<u>(218,709)</u>	<u>(46,249)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	6,128,087	1,820,556
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<u>4,351,660</u>	<u>2,531,104</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<u>\$ 10,479,747</u>	<u>\$ 4,351,660</u>

The accompanying notes are an integral part of the consolidated financial statements.

(Concluded)