

VIA Technologies, Inc. and Subsidiaries

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

VIA TECHNOLOGIES, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	June 30, 2022 (Reviewed)		December 31, 2021 (Audited)		June 30, 2021 (Reviewed)	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents	\$ 11,835,861	52	\$ 10,479,747	48	\$ 4,076,916	23
Financial assets at fair value through profit or loss - current	317,190	2	538,496	3	218,375	1
Financial assets at amortized cost - current	60,000	-	1,546,144	7	2,346,620	13
Accounts receivable, net	629,050	3	654,595	3	528,613	3
Accounts receivable - related parties	2,932	-	2,750	-	8,957	-
Other receivables	40,562	-	30,375	-	3,347,076	19
Inventories	1,887,463	8	1,611,635	7	1,042,619	6
Other current assets	952,160	4	265,390	1	215,161	1
Total current assets	15,725,218	69	15,129,132	69	11,784,337	66
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current	1,694,447	7	1,636,818	8	1,392,237	8
Financial assets at fair value through other comprehensive income - non-current	1,024,766	5	670,115	3	107,033	1
Investments accounted for using the equity method	92,884	-	131,681	1	133,737	1
Property, plant and equipment	1,983,215	9	1,979,612	9	2,016,510	11
Right-of-use assets	268,593	1	280,968	1	367,432	2
Investment properties, net	1,884,594	8	1,852,026	8	1,870,055	10
Intangible assets	82,743	-	64,223	-	49,734	-
Deferred tax assets	57,039	-	36,269	-	17,611	-
Refundable deposits	111,048	1	104,282	1	101,727	1
Other assets - non-current	9,838	-	15,824	-	20,875	-
Total non-current assets	7,209,167	31	6,771,818	31	6,076,951	34
TOTAL	\$ 22,934,385	100	\$ 21,900,950	100	\$ 17,861,288	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Financial liabilities at fair value through profit or loss - current	\$ -	-	\$ -	-	\$ 552	-
Notes payable	544	-	729	-	558	-
Accounts payable	807,874	4	920,756	4	576,742	3
Accounts payable - related parties	23,208	-	33,695	-	17,491	-
Other payables	1,701,624	7	1,724,845	8	1,815,664	10
Current tax liabilities	326,005	1	349,695	2	523,691	3
Provisions - current	114,754	1	139,684	1	9,467	-
Lease liabilities - current	98,284	-	86,420	-	87,292	1
Current portion of long-term borrowings	860,000	4	950,000	4	500,000	3
Other current liabilities	1,513,748	7	500,744	2	224,584	1
Total current liabilities	5,446,041	24	4,706,568	21	3,756,041	21
NON-CURRENT LIABILITIES						
Long-term borrowings	1,792,000	8	1,165,000	5	1,273,000	7
Long-term bills payable	986,753	4	1,101,484	5	853,175	5
Deferred tax liabilities	198,576	1	195,270	1	198,437	1
Lease liabilities - non-current	149,744	1	178,306	1	210,361	1
Net defined benefit liabilities	354,483	1	353,817	2	340,661	2
Credit balance of investments accounted for using the equity method	56	-	32	-	4	-
Other non-current liabilities	45,669	-	50,866	-	52,125	-
Total non-current liabilities	3,527,281	15	3,044,775	14	2,927,763	16
Total liabilities	8,973,322	39	7,751,343	35	6,683,804	37
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY						
Share capital	4,954,539	22	4,944,109	23	4,943,959	28
Capital collected in advance	20,949	-	24,881	-	-	-
Capital surplus	1,229,124	5	1,209,690	6	1,201,490	7
Retained earnings						
Legal reserve	749,725	3	354,878	1	354,878	2
Special reserve	910,285	4	595,929	3	595,929	3
Unappropriated earnings	4,652,347	20	6,150,928	28	3,382,735	19
Other equity	(36,687)	-	(689,468)	(3)	(626,388)	(4)
Total equity attributable to owners of the Company	12,480,282	54	12,590,947	58	9,852,603	55
NON-CONTROLLING INTERESTS	1,480,781	7	1,558,660	7	1,324,881	8
Total equity	13,961,063	61	14,149,607	65	11,177,484	63
TOTAL	\$ 22,934,385	100	\$ 21,900,950	100	\$ 17,861,288	100

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			
	2022		2021		2022		2021	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE	\$ 2,289,001	100	\$ 1,617,772	100	\$ 4,497,220	100	\$ 3,187,472	100
OPERATING COSTS	<u>1,458,494</u>	<u>64</u>	<u>898,373</u>	<u>56</u>	<u>2,726,445</u>	<u>61</u>	<u>1,787,038</u>	<u>56</u>
GROSS PROFIT	<u>830,507</u>	<u>36</u>	<u>719,399</u>	<u>44</u>	<u>1,770,775</u>	<u>39</u>	<u>1,400,434</u>	<u>44</u>
OPERATING EXPENSES								
Selling and marketing expenses	191,874	8	169,587	10	365,252	8	359,331	11
General and administrative expenses	148,545	7	144,175	9	294,889	6	272,983	9
Research and development expenses	484,080	21	681,489	42	1,022,907	23	1,534,681	48
Expected credit loss	<u>339</u>	<u>-</u>	<u>731</u>	<u>-</u>	<u>2,579</u>	<u>-</u>	<u>1,580</u>	<u>-</u>
Total operating expenses	<u>824,838</u>	<u>36</u>	<u>995,982</u>	<u>61</u>	<u>1,685,627</u>	<u>37</u>	<u>2,168,575</u>	<u>68</u>
PROFIT (LOSS) FROM OPERATIONS	<u>5,669</u>	<u>-</u>	<u>(276,583)</u>	<u>(17)</u>	<u>85,148</u>	<u>2</u>	<u>(768,141)</u>	<u>(24)</u>
NON-OPERATING INCOME AND EXPENSES								
Interest income	11,024	1	4,178	-	17,235	1	7,201	-
Other income	91,498	4	60,448	4	190,319	4	99,259	3
Other gains and losses	16,922	1	(6,420)	-	(89,058)	(2)	2,237,373	70
Finance costs	(16,497)	(1)	(11,654)	(1)	(31,321)	(1)	(24,584)	-
Share of profit or loss of associates	<u>1,303</u>	<u>-</u>	<u>(3,374)</u>	<u>-</u>	<u>77</u>	<u>-</u>	<u>(4,708)</u>	<u>-</u>
Total non-operating income and expenses	<u>104,250</u>	<u>5</u>	<u>43,178</u>	<u>3</u>	<u>87,252</u>	<u>2</u>	<u>2,314,541</u>	<u>73</u>
PROFIT (LOSS) BEFORE INCOME TAX	109,919	5	(233,405)	(14)	172,400	4	1,546,400	49
INCOME TAX EXPENSE	<u>(160,225)</u>	<u>(7)</u>	<u>(159,715)</u>	<u>(10)</u>	<u>(228,918)</u>	<u>(5)</u>	<u>(187,596)</u>	<u>(6)</u>
NET (LOSS) PROFIT FOR THE PERIOD	<u>(50,306)</u>	<u>(2)</u>	<u>(393,120)</u>	<u>(24)</u>	<u>(56,518)</u>	<u>(1)</u>	<u>1,358,804</u>	<u>43</u>
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	(17,988)	(1)	(6,447)	(1)	(12,815)	-	(3,321)	-

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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			
	2022		2021		2022		2021	
	Amount	%	Amount	%	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translating foreign operations	\$ 261,287	11	\$ (175,625)	(11)	\$ 656,775	14	\$ (251,132)	(8)
Share of the other comprehensive (loss) income of associates	(821)	-	(1,073)	-	1,787	-	(2,583)	-
Other comprehensive income (loss) for the period, net of income tax	242,478	10	(183,145)	(12)	645,747	14	(257,036)	(8)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	<u>\$ 192,172</u>	<u>8</u>	<u>\$ (576,265)</u>	<u>(36)</u>	<u>\$ 589,229</u>	<u>13</u>	<u>\$ 1,101,768</u>	<u>35</u>
NET (LOSS) PROFIT ATTRIBUTABLE TO:								
Owners of the Company	\$ (163,006)	(7)	\$ (485,984)	(30)	\$ (294,028)	(6)	\$ 1,180,282	37
Non-controlling interests	112,700	5	92,864	6	237,510	5	178,522	6
	<u>\$ (50,306)</u>	<u>(2)</u>	<u>\$ (393,120)</u>	<u>(24)</u>	<u>\$ (56,518)</u>	<u>(1)</u>	<u>\$ 1,358,804</u>	<u>43</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:								
Owners of the Company	\$ 88,360	4	\$ (667,782)	(41)	\$ 358,753	8	\$ 924,603	29
Non-controlling interests	103,812	4	91,517	5	230,476	5	177,165	6
	<u>\$ 192,172</u>	<u>8</u>	<u>\$ (576,265)</u>	<u>(36)</u>	<u>\$ 589,229</u>	<u>13</u>	<u>\$ 1,101,768</u>	<u>35</u>
(LOSS) EARNINGS PER SHARE								
From continuing operations								
Basic	<u>\$ (0.33)</u>		<u>\$ (0.98)</u>		<u>\$ (0.59)</u>		<u>\$ 2.39</u>	
Diluted	<u>\$ (0.33)</u>		<u>\$ (0.98)</u>		<u>\$ (0.59)</u>		<u>\$ 2.33</u>	

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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		Total Equity Attributable to Owners of the Company	Non-controlling Interests	Total 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			
				Legal Reserve	Special Reserve	Unappropriated Earnings (Accumulated Deficits)					
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 shares 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>
BALANCE, JANUARY 1, 2022	\$ 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
Appropriation of 2021 earnings											
Legal reserve	-	-	-	394,847	-	(394,847)	-	-	-	-	-
Special reserve	-	-	-	-	314,356	(314,356)	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(495,350)	-	-	(495,350)	-	(495,350)
Net (loss) profit for the six months ended June 30, 2022	-	-	-	-	-	(294,028)	-	-	(294,028)	237,510	(56,518)
Other comprehensive income (loss) for the six months ended June 30, 2022	-	-	-	-	-	-	658,167	(5,386)	652,781	(7,034)	645,747
Total comprehensive (loss) income for the six months ended June 30, 2022	-	-	-	-	-	(294,028)	658,167	(5,386)	358,753	230,476	589,229
Cash dividends distributed by the subsidiary	-	-	-	-	-	-	-	-	-	(325,580)	(325,580)
Change in capital surplus from investments in associates	-	-	102	-	-	-	-	-	102	-	102
Share-based payment transaction	-	-	10,539	-	-	-	-	-	10,539	-	10,539
Issuance of shares from exercise of employee shares options	10,430	(3,932)	18,247	-	-	-	-	-	24,745	-	24,745
Changes in percentage of ownership interests in the subsidiary	-	-	(9,831)	-	-	-	-	-	(9,831)	16,937	7,106
Recognition of employee share options issued by the subsidiary	-	-	377	-	-	-	-	-	377	288	665
BALANCE, JUNE 30, 2022	<u>\$ 4,954,539</u>	<u>\$ 20,949</u>	<u>\$ 1,229,124</u>	<u>\$ 749,725</u>	<u>\$ 910,285</u>	<u>\$ 4,652,347</u>	<u>\$ (8,803)</u>	<u>\$ (27,884)</u>	<u>\$ 12,480,282</u>	<u>\$ 1,480,781</u>	<u>\$ 13,961,063</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	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 172,400	\$ 1,546,400
Adjustments for:		
Depreciation expense	118,168	124,867
Amortization expense	32,037	16,128
Expected credit loss recognized on accounts receivable	2,579	1,580
Finance costs	31,321	24,584
Interest income	(17,235)	(7,201)
Dividend income	(3,693)	(3,527)
Compensation costs of employee share options	11,204	17,303
Share of profit or loss of associates	(77)	4,708
(Gain) loss on disposal of property, plant and equipment	(5,984)	276
Loss (gain) on disposal of intangible assets	27	(1,081,258)
Gain on lease modification	(2,713)	(5)
Changes in operating assets and liabilities		
Financial assets at fair value through profit or loss	205,788	(1,377,073)
Accounts receivable	22,966	(104,055)
Accounts receivable - related parties	(182)	(5,676)
Other receivables	(10,117)	(7,462)
Inventories	(275,828)	(201,603)
Other current assets	(686,770)	(30,799)
Other non-current assets	5,986	4,911
Financial liabilities at fair value through profit or loss	-	552
Notes payable	(185)	17
Accounts payable	(112,882)	55,029
Accounts payable - related parties	(10,487)	(1,795)
Other payables	(21,226)	(11,382)
Provisions	(24,930)	(865)
Other current liabilities	1,013,004	118,788
Net defined benefit liabilities	666	714
Cash generated from (used in) operations	443,837	(916,844)
Interest received	17,165	6,071
Dividend received	3,693	3,527
Interest paid	(31,905)	(24,683)
Income tax paid	(273,378)	(415,505)
Net cash generated from (used in) operating activities	159,412	(1,347,434)

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of financial assets at fair value through other comprehensive income	(367,466)	-
Purchase of financial assets at amortized cost	-	(2,321,720)

(Continued)

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	
	2022	2021
Proceeds from sale of financial assets at amortized cost	\$ 1,486,144	\$ 35,100
Payments for property, plant and equipment	(84,438)	(91,294)
Proceeds from disposal of property, plant and equipment	6,722	169
Increase in refundable deposits	(6,990)	(1,134)
Decrease in refundable deposits	348	22,269
Payments for intangible assets	(44,934)	(13,213)
Proceeds from disposal of intangible assets	-	3,809,864
Payments for investment properties	(247)	-
Decrease in other financial assets	-	112,044
Dividend received from associates	<u>40,787</u>	<u>93,078</u>
Net cash generated from investing activities	<u>1,029,926</u>	<u>1,645,163</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in long-term bills payable	298,000	-
Decrease in long-term bills payable	(412,000)	(336,000)
Proceeds from long-term borrowings	1,115,000	510,000
Repayments of long-term borrowings	(578,000)	(582,000)
Increase in guarantee deposits	93	427
Decrease in guarantee deposits	(4,280)	(817)
Decrease in other payables - related parties	-	(96,925)
Repayment of the principal portion of lease liabilities	(42,983)	(49,785)
Distribution of cash dividends	(495,350)	-
Proceeds from exercise of employee share options	24,745	8,379
Partial disposal of interests in the subsidiary without a loss of control	7,106	160,126
Dividends paid to non-controlling interests	<u>(325,580)</u>	<u>(128,956)</u>
Net cash used in financing activities	<u>(413,249)</u>	<u>(515,551)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>580,025</u>	<u>(56,922)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,356,114	(274,744)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>10,479,747</u>	<u>4,351,660</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 11,835,861</u>	<u>\$ 4,076,916</u>

(Concluded)