

ALPHA NETWORKS INC. AND SUBSIDIARIES
Consolidated Balance Sheet
September 30, 2020, December 31 and September 30, 2019
(Expressed in thousands of New Taiwan dollars)

	2020/9/30		2019/12/31		2019/9/30			2020/9/30		2019/12/31		2019/9/30	
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%
Assets							Liabilities and Equity						
Current assets :							Current liabilities :						
Cash and cash equivalents	\$ 4,930,887	19	\$ 5,918,331	24	\$ 2,357,077	16	Current borrowings	\$ 3,062,043	11	\$ 952,701	4	\$ -	-
Current financial assets at fair value through profit or loss	82,309	-	99,705	-	1,796	-	Current financial liabilities at fair value through profit or loss	2,605	-	377	-	1,102	-
Current financial assets at amortised cost	349,284	1	3,146,690	13	3,347,138	23	Accounts payable(including related parties)	6,851,095	26	4,310,745	17	2,718,142	19
net	6,639,280	25	3,764,696	15	1,509,480	11	Accrued expenses	593,951	2	556,416	2	358,074	2
Accounts receivable due from related parties, net	485,010	2	528,144	2	717,112	5	Current tax liabilities	198,282	1	130,756	1	79,791	1
Inventories	6,791,038	26	5,089,181	20	3,745,032	26	Current provisions	333,874	1	393,041	2	196,151	1
Other current assets	832,122	3	601,754	2	299,946	2	Long-term borrowings, current portion	-	-	120,000	-	-	-
	<u>20,109,930</u>	<u>76</u>	<u>19,148,501</u>	<u>76</u>	<u>11,977,581</u>	<u>83</u>	Other current liabilities, others	2,018,911	8	3,120,572	12	579,348	4
								<u>13,060,761</u>	<u>49</u>	<u>9,584,608</u>	<u>38</u>	<u>3,932,608</u>	<u>27</u>
Non-current assets :							Non-current liabilities :						
Non-current financial assets at fair value through other comprehensive income	215,967	1	161,614	1	128,231	1	Non-current financial liabilities at fair value through profit or loss	1,020	-	1,560	-	-	-
Non-current financial assets at amortised cost	171,653	1	39,745	-	24,639	-	Bonds payable	578,356	3	571,047	2	-	-
Property, plant and equipment	3,827,236	14	3,231,397	13	1,677,367	12	Non-current portion of non-current borrowings	-	-	150,000	1	-	-
Right-of-use assets	443,415	2	473,667	2	251,402	2	Non-current lease liabilities	209,117	1	224,639	1	200,730	2
Intangible assets	1,455,180	5	1,529,044	6	195,373	1	Net defined benefit liability, non-current	275,076	1	288,999	1	269,329	2
Deferred tax assets	230,571	1	209,124	1	130,775	1	Other non-current liabilities	120,036	-	132,221	1	73,329	-
Other non-current assets	134,965	-	207,276	1	16,335	-		<u>1,183,605</u>	<u>5</u>	<u>1,368,466</u>	<u>6</u>	<u>543,388</u>	<u>4</u>
	<u>6,478,987</u>	<u>24</u>	<u>5,851,867</u>	<u>24</u>	<u>2,424,122</u>	<u>17</u>	Total liabilities	<u>14,244,366</u>	<u>54</u>	<u>10,953,074</u>	<u>44</u>	<u>4,475,996</u>	<u>31</u>
							Equity :						
							Ordinary share	5,418,177	20	5,427,273	22	5,428,907	38
							Share capital awaiting retirement	(992)	-	(1,372)	-	(224)	-
								<u>5,417,185</u>	<u>20</u>	<u>5,425,901</u>	<u>22</u>	<u>5,428,683</u>	<u>38</u>
							Capital surplus	2,994,393	11	3,001,756	12	2,998,974	21
							Retained earnings :						
							Legal reserve	1,127,420	4	1,107,188	4	1,107,188	8
							Special reserve	731,766	3	627,926	3	627,926	4
							Unappropriated retained earnings	(171,023)	(1)	566,846	2	519,806	3
								<u>1,688,163</u>	<u>6</u>	<u>2,301,960</u>	<u>9</u>	<u>2,254,920</u>	<u>15</u>
							Other equity interest	(718,670)	(2)	(748,819)	(3)	(756,870)	(5)
							Total equity attributable to owners of parent	9,381,071	35	9,980,798	40	9,925,707	69
							Non-controlling interests	2,963,480	11	4,066,496	16	-	-
							Total equity	<u>12,344,551</u>	<u>46</u>	<u>14,047,294</u>	<u>56</u>	<u>9,925,707</u>	<u>69</u>
Total assets	\$ 26,588,917	100	\$ 25,000,368	100	\$ 14,401,703	100	Total liabilities and equity	\$ 26,588,917	100	\$ 25,000,368	100	\$ 14,401,703	100

ALPHA NETWORKS INC. AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income

For the three-month periods from July 1 to September 30, 2020 and 2019, and the nine-month periods from January 1 to September 30, 2020 and 2019
(Expressed in thousands of New Taiwan dollars, except for earnings per share)

	2020/7/1-2020/9/30		2019/7/1-2019/9/30		2020/1/1-2020/9/30		2019/1/1-2019/9/30	
	Amount	%	Amount	%	Amount	%	Amount	%
Operating revenue	\$ 9,671,497	100	3,982,148	100	22,380,652	100	11,147,438	100
Operating costs	8,213,305	85	3,326,535	84	18,811,015	84	9,235,658	83
Gross profit from operations	1,458,192	15	655,613	16	3,569,637	16	1,911,780	17
Operating expenses :								
Selling expenses	330,787	3	102,841	2	920,560	4	321,470	3
Administrative expenses	338,486	3	145,880	4	901,356	4	422,382	4
Research and development expenses	412,778	4	343,224	9	1,217,874	6	1,021,944	9
Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	(1,305)	-	(1,602)	-	(12,342)	-	13,125	-
Total operating expenses	1,080,746	10	590,343	15	3,027,448	14	1,778,921	16
Net operating income (loss)	377,446	5	65,270	1	542,189	2	132,859	1
Non-operating income and expenses :								
Interest income	7,427	-	15,760	-	24,989	-	47,499	-
Other income	23,425	-	19,982	1	80,881	-	48,845	1
Other gains and losses	(71,079)	(1)	13,464	-	(83,607)	-	23,742	-
Finance costs	(10,800)	-	(824)	-	(37,060)	-	(2,626)	-
Total non-operating income and expenses	(51,027)	(1)	48,382	1	(14,797)	-	117,460	1
Profit (loss) before tax	326,419	4	113,652	2	527,392	2	250,319	2
Tax expenses	62,599	1	25,911	-	124,450	-	77,375	-
Profit (loss)	263,820	3	87,741	2	402,942	2	172,944	2
Other comprehensive income:								
Components of other comprehensive income that will not be reclassified to profit or loss								
Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(6,860)	-	(5,805)	-	54,353	-	1,055	-
Components of other comprehensive income that will be reclassified to profit or loss								
Exchange differences on translation	109,480	1	(165,265)	(4)	(51,016)	-	(107,199)	(1)
Other comprehensive income, net	102,620	1	(171,070)	(4)	3,337	-	(106,144)	(1)
Total comprehensive income	\$ 366,440	4	(83,329)	(2)	406,279	2	66,800	1
Profit (loss), attributable to:								
Profit (loss), attributable to owners of parent	\$ 240,110	3	87,741	2	322,194	2	172,944	2
Profit (loss), attributable to non-controlling interests	23,710	-	-	-	80,748	-	-	-

ALPHA NETWORKS INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
For the years ended September 30, 2020 and 2019
(Expressed in thousands of New Taiwan dollars)

	2020/1/1~2020/9/30	2019/1/1~2019/9/30
Cash flows from (used in) operating activities:		
Profit before tax	\$ 527,392	250,319
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expenses	376,743	200,437
Amortization expenses	145,744	48,190
Expected credit (gain) loss	(12,342)	13,125
Net gain on financial assets or liabilities at fair value through profit or loss	(10,855)	(694)
Interest expense	37,060	2,626
Interest income	(24,989)	(47,499)
Dividend income	(4,259)	(2,111)
Share-based payments	943	26,017
Loss on disposal of property, plant and equipment	3,115	54
Provision (reversal of provision) for inventory obsolescence and devaluation loss	84,703	(71,459)
Other adjustments to reconcile profit (loss)	32,028	7
Total adjustments to reconcile profit (loss)	627,891	168,693
Changes in operating assets and liabilities:		
Increase in notes and accounts receivable	(2,882,975)	(201,989)
Decrease in accounts receivable due from related parties	63,867	130,776
Decrease in financial assets at fair value through profit or loss, mandatorily measured at fair value	16,095	1,696
(Increase) decrease in inventories	(1,786,560)	48,731
Increase in other current assets	(365,324)	(85,241)
Total changes in operating assets	(4,954,897)	(106,027)
Increase (Decrease) in accounts payable	2,540,349	(164,557)
Decrease in other payable to related parties	(1,114)	(2,069)
Decrease in financial liabilities at fair value through profit or loss, mandatorily measured at fair value	(377)	(97)
Increase (Decrease) in other current liabilities	535,662	(107,065)
Decrease in net defined benefit liability	(13,923)	(25,554)
Total Changes in operating liabilities	3,060,597	(299,342)
Total changes in operating assets and liabilities	(1,894,300)	(405,369)
Total adjustments	(1,266,409)	(236,676)
Cash outflow generated from operations	(739,017)	13,643
Interest received	24,086	47,614
Dividends received	4,259	2,111
Interest paid	(27,562)	(2,626)
Income taxes paid	(116,856)	(48,561)
Cash flows from (used in) operating activities	(855,090)	12,181
Cash flows from (used in) investing activities		
Acquisition of financial assets at amortised cost	(453,780)	(5,503,834)
Proceeds from repayments of financial assets at amortised cost	3,197,468	6,037,130
Acquisition of financial asset at fair value through profit or loss	(26,382)	-
Proceeds from disposal of financial assets at fair value through profit or loss	40,603	-
Net cash flow from acquisition of subsidiaries	(3,283,679)	-
Acquisition of property, plant and equipment	(972,989)	(47,437)
Proceeds from disposal of property, plant and equipment	12,807	575
Increase in refundable deposits	(1,789)	(3,549)
Acquisition of intangible assets	(61,219)	(39,565)
Decrease in other non-current assets	57,624	-
Net cash flows from (used in) investing activities	(1,491,336)	443,320
Cash flows from (used in) financing activities:		
Increase in short-term loans	2,109,342	-
Repayments of long-term debt	(270,000)	-
Increase (decrease) in guarantee deposits received	(1,149)	1,250
Payments of lease liabilities	(48,876)	(5,589)
Cash dividends paid	(238,692)	(543,262)
Proceeds from endowments received by the company	60	66
Change in non-controlling interests	(218,069)	0
Net cash flows from (used in) financing activities	1,332,616	(547,535)
Effect of exchange rate changes on cash and cash equivalents	26,366	(80,172)
Net decrease in cash and cash equivalents	(987,444)	(172,206)
Cash and cash equivalents at beginning of period	5,918,331	2,529,283
Cash and cash equivalents at end of period	\$ 4,930,887	2,357,077