

ALPHA NETWORKS INC. AND SUBSIDIARIES
Consolidated Balance Sheet
March 31, 2021, December 31 and March 31, 2020
(Expressed in thousands of New Taiwan dollars)

	2021/3/31		2020/12/31		2020/3/31	
	Amount	%	Amount	%	Amount	%
Assets						
Current assets :						
Cash and cash equivalents	\$ 5,824,230	23	\$ 5,710,004	21	\$ 5,262,777	24
Current financial assets at fair value through profit or loss	59,908	-	82,311	-	100,819	-
Current financial assets at amortised cost	98,528	-	226,577	1	226,660	1
Notes and accounts receivable, net	5,111,127	20	6,801,078	25	2,867,627	13
Accounts receivable due from related parties, net	-	-	-	-	288,902	1
Inventories	7,300,324	29	7,029,370	26	6,313,423	29
Other current assets	921,992	4	856,997	3	680,657	4
	<u>19,316,109</u>	<u>76</u>	<u>20,706,337</u>	<u>76</u>	<u>15,740,865</u>	<u>72</u>
Non-current assets :						
Non-current financial assets at fair value through other comprehensive income	19,335	-	21,245	-	144,728	1
Non-current financial assets at amortised cost	164,634	-	156,475	1	41,155	-
Property, plant and equipment	3,836,207	15	3,936,709	15	3,358,926	15
Right-of-use assets	416,873	2	427,337	2	463,923	2
Intangible assets	1,413,447	5	1,435,575	5	1,489,772	7
Deferred tax assets	261,459	1	250,836	1	187,455	1
Other non-current assets	128,808	1	71,069	-	310,707	2
	<u>6,240,763</u>	<u>24</u>	<u>6,299,246</u>	<u>24</u>	<u>5,996,666</u>	<u>28</u>
Total assets	\$ 25,556,872	100	\$ 27,005,583	100	\$ 21,737,531	100

	2021/3/31		2020/12/31		2020/3/31	
	Amount	%	Amount	%	Amount	%
Liabilities and Equity						
Current liabilities :						
Current borrowings	\$ 3,115,219	12	\$ 2,842,762	11	\$ 1,727,409	8
Current financial liabilities at fair value through profit or loss	17,603	-	10,517	-	3,856	-
Accounts payable(including related parties)	5,543,388	22	6,828,103	25	4,447,271	20
Accrued expenses	648,354	3	749,008	3	429,566	2
Dividends payable, non-cash assets distributions	-	-	-	-	238,692	1
Current tax liabilities	315,367	1	267,687	1	131,374	1
Current provisions	332,244	1	358,850	1	342,474	2
Bonds payable, current portion	455,931	2	526,507	2	-	-
Other current liabilities, others	1,628,673	6	2,131,767	8	1,190,706	5
	<u>12,056,779</u>	<u>47</u>	<u>13,715,201</u>	<u>51</u>	<u>8,511,348</u>	<u>39</u>
Non-current liabilities :						
Non-current financial liabilities at fair value through profit or loss	-	-	-	-	2,340	-
Bonds payable	-	-	-	-	573,473	3
Non-current lease liabilities	201,200	1	201,065	1	214,704	1
Net defined benefit liability, non-current	196,480	1	220,367	1	274,109	1
Other non-current liabilities	136,995	1	130,619	-	129,945	1
	<u>534,675</u>	<u>3</u>	<u>552,051</u>	<u>2</u>	<u>1,194,571</u>	<u>6</u>
Total liabilities	12,591,454	50	14,267,252	53	9,705,919	45
Equity :						
Ordinary share	5,417,185	21	5,417,185	20	5,424,825	25
Share capital awaiting retirement	-	-	-	-	(400)	-
	<u>5,417,185</u>	<u>21</u>	<u>5,417,185</u>	<u>20</u>	<u>5,424,425</u>	<u>25</u>
Capital surplus	3,017,347	12	3,004,591	11	3,003,292	14
Retained earnings :						
Legal reserve	1,127,420	4	1,127,420	4	1,107,188	5
Special reserve	731,766	3	731,766	3	627,926	3
Unappropriated retained earnings	(14,762)	-	(127,976)	-	(462,934)	(2)
	<u>1,844,424</u>	<u>7</u>	<u>1,731,210</u>	<u>7</u>	<u>1,272,180</u>	<u>6</u>
Other equity interest	(420,706)	(2)	(448,804)	(2)	(820,034)	(4)
Total equity attributable to owners of parent	9,858,250	38	9,704,182	36	8,879,863	41
Non-controlling interests	3,107,168	12	3,034,149	11	3,151,749	14
Total equity	12,965,418	50	12,738,331	47	12,031,612	55
Total liabilities and equity	\$ 25,556,872	100	\$ 27,005,583	100	\$ 21,737,531	100

ALPHA NETWORKS INC. AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
For the three-month periods from January 1 to March 31, 2021 and 2020
(Expressed in thousands of New Taiwan dollars, except for earnings per share)

	2021/1/1~2021/3/31		2020/1/1~2020/3/31	
	Amount	%	Amount	%
Operating revenue	\$ 7,193,287	100	4,984,120	100
Operating costs	6,119,282	85	4,138,988	83
Gross profit from operations	1,074,005	15	845,132	17
Operating expenses :				
Selling expenses	276,599	4	290,651	6
Administrative expenses	289,617	4	261,233	5
Research and development expenses	351,985	5	397,823	8
Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	5,019	-	(19,615)	-
Total operating expenses	923,220	13	930,092	19
Net operating income (loss)	150,785	2	(84,960)	(2)
Non-operating income and expenses :				
Other income	13,763	-	9,542	-
Other gains and losses	(4,188)	-	(27,148)	-
Finance costs	(10,651)	-	(14,454)	-
Interest income	5,929	-	12,507	-
Total non-operating income and expenses	4,853	-	(19,553)	-
Profit (loss) before tax	155,638	2	(104,513)	(2)
Tax expenses	38,275	1	33,421	1
Profit (loss)	117,363	1	(137,934)	(3)
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	(1,910)	-	(16,886)	-
Components of other comprehensive income that will be reclassified to profit or loss				
Exchange differences on translation	39,012	1	(60,871)	(1)
Other comprehensive income, net	37,102	1	(77,757)	(1)
Total comprehensive income	\$ 154,465	2	(215,691)	(4)
Profit (loss), attributable to:				
Profit (loss), attributable to owners of parent	\$ 113,214	1	(129,313)	(3)
Profit (loss), attributable to non-controlling interests	4,149	-	(8,621)	-
	\$ 117,363	1	(137,934)	(3)
Comprehensive income attributable to:				
Comprehensive income, attributable to owners of parent	\$ 141,312	2	(206,275)	(4)
Comprehensive income, attributable to non-controlling interests	13,153	-	(9,416)	-
	\$ 154,465	2	(215,691)	(4)
Earnings per share(in New Taiwan dollars)				
Basic earnings per share	\$ 0.21		(0.24)	
Diluted earnings per share	\$ 0.21		(0.24)	

ALPHA NETWORKS INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
For the three-month periods from January 1 to March 31, 2021 and 2020
(Expressed in thousands of New Taiwan dollars)

	<u>2021/1/1~2021/3/31</u>	<u>2020/1/1~2020/3/31</u>
Cash flows from (used in) operating activities:		
Profit before tax	\$ 155,638	(104,513)
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expenses	146,171	118,785
Amortization expenses	48,468	48,808
Expected credit (gain) loss	5,019	(19,615)
Net gain on financial assets or liabilities at fair value through profit or loss	9,173	18,910
Interest expense	10,651	14,454
Interest income	(5,929)	(12,507)
Share-based payments	-	5,747
Loss on disposal of property, plant and equipment	240	1,530
Provision for inventory obsolescence and devaluation loss	18,033	30,903
Total adjustments to reconcile profit (loss)	<u>231,826</u>	<u>207,015</u>
Changes in operating assets and liabilities:		
Decrease in notes and accounts receivable	1,684,932	1,155,926
Decrease in financial assets at fair value through profit or loss, mandatorily measured at fair value	18,982	6,839
Increase in inventories	(288,987)	(1,255,145)
Increase in other current assets	(10,810)	(16,469)
Total changes in operating assets	<u>1,404,117</u>	<u>(108,849)</u>
Decrease in financial liabilities held for trading	(10,920)	(377)
Increase (Decrease) in accounts payable	(1,284,715)	136,525
Increase (Decrease) in other payable to related parties	300	(802)
Decrease in other current liabilities	(586,166)	(480,554)
Decrease in net defined benefit liability	(23,887)	(14,890)
Total Changes in operating liabilities	<u>(1,905,388)</u>	<u>(360,098)</u>
Total changes in operating assets and liabilities	<u>(501,271)</u>	<u>(468,947)</u>
Total adjustments	<u>(269,445)</u>	<u>(261,932)</u>
Cash outflow generated from operations	(113,807)	(366,445)
Interest received	6,087	12,058
Interest paid	(8,490)	(12,265)
Income taxes paid	(3,815)	(11,627)
Cash flows from (used in) operating activities	<u>(120,025)</u>	<u>(378,279)</u>
Cash flows from (used in) investing activities		
Acquisition of financial assets at amortised cost	(71,636)	(115,169)
Proceeds from repayments of financial assets at amortised cost	138,680	2,978,977
Acquisition of financial asset at fair value through profit or loss	-	(22,227)
Proceeds from disposal of financial assets at fair value through profit or loss	11,851	-
Net cash flow from acquisition of subsidiaries	-	(3,200,000)
Acquisition of property, plant and equipment	(76,288)	(251,302)
Proceeds from disposal of property, plant and equipment	975	9,323
Increase in refundable deposits	(8,159)	(1,410)
Acquisition of intangible assets	(23,774)	(10,661)
Increase in other non-current assets	(33,320)	(109,985)
Net cash flows from (used in) investing activities	<u>(61,671)</u>	<u>(722,454)</u>
Cash flows from (used in) financing activities:		
Increase in short-term loans	272,457	774,708
Repayments of long-term debt	-	(270,000)
Increase (decrease) in guarantee deposits received	2,371	(889)
Payments of lease liabilities	(15,685)	(14,907)
Proceeds from endowments received by the company	-	60
Net cash flows from (used in) financing activities	<u>259,143</u>	<u>488,972</u>
Effect of exchange rate changes on cash and cash equivalents	<u>36,779</u>	<u>(43,793)</u>
Net decrease in cash and cash equivalents	114,226	(655,554)
Cash and cash equivalents at beginning of period	5,710,004	5,918,331
Cash and cash equivalents at end of period	<u>\$ 5,824,230</u>	<u>5,262,777</u>