

ALPHA NETWORKS INC. AND SUBSIDIARIES
Consolidated Balance Sheet
June 30, 2021, December 31 and June 30, 2020
(Expressed in thousands of New Taiwan dollars)

	2021/6/30		2020/12/31		2020/6/30	
	Amount	%	Amount	%	Amount	%
Assets						
Current assets :						
Cash and cash equivalents	\$ 4,943,497	19	5,710,004	21	4,951,192	20
Current financial assets at fair value through profit or loss	74,110	-	82,311	-	89,982	-
Current financial assets at amortised cost	917,833	4	226,577	1	256,062	1
Notes and accounts receivable, net	5,106,735	20	6,801,078	25	4,799,732	20
Accounts receivable due from related parties, net	-	-	-	-	457,826	2
Inventories	7,540,651	29	7,029,370	26	6,682,718	27
Other current assets	839,385	3	856,997	3	731,834	3
	<u>19,422,211</u>	<u>75</u>	<u>20,706,337</u>	<u>76</u>	<u>17,969,346</u>	<u>73</u>
Non-current assets :						
Non-current financial assets at fair value through other comprehensive income	19,335	-	21,245	-	222,827	1
Non-current financial assets at amortised cost	156,846	1	156,475	1	183,576	1
Property, plant and equipment	3,789,598	15	3,936,709	15	3,681,930	15
Right-of-use assets	418,894	2	427,337	2	442,981	2
Intangible assets	1,383,429	5	1,435,575	5	1,469,324	6
Deferred tax assets	248,272	1	250,836	1	219,038	1
Other non-current assets	228,108	1	71,069	-	251,438	1
	<u>6,244,482</u>	<u>25</u>	<u>6,299,246</u>	<u>24</u>	<u>6,471,114</u>	<u>27</u>
Total assets	\$ 25,666,693	100	27,005,583	100	24,440,460	100

	2021/6/30		2020/12/31		2020/6/30	
	Amount	%	Amount	%	Amount	%
Liabilities and Equity						
Current liabilities :						
Current borrowings	\$ 3,245,056	13	2,842,762	11	2,724,806	11
Current financial liabilities at fair value through profit or loss	3,357	-	10,517	-	10,554	-
Accounts payable(including related parties)	5,684,699	22	6,828,103	25	5,610,827	23
Accrued expenses	469,027	1	749,008	3	584,936	2
Dividends payable	663,036	3	-	-	457,206	2
Current tax liabilities	216,807	1	267,687	1	126,936	1
Current provisions	320,360	1	358,850	1	338,239	1
Bonds payable, current portion	457,868	1	526,507	2	-	-
Other current liabilities, others	1,692,277	7	2,131,767	8	1,319,641	6
	<u>12,752,487</u>	<u>49</u>	<u>13,715,201</u>	<u>51</u>	<u>11,173,145</u>	<u>46</u>
Non-current liabilities :						
Non-current financial liabilities at fair value through profit or loss	-	-	-	-	1,080	-
Bonds payable	-	-	-	-	575,910	2
Non-current lease liabilities	211,984	1	201,065	1	207,928	1
Net defined benefit liability, non-current	196,514	1	220,367	1	274,468	1
Other non-current liabilities	132,733	1	130,619	-	133,553	1
	<u>541,231</u>	<u>3</u>	<u>552,051</u>	<u>2</u>	<u>1,192,939</u>	<u>5</u>
Total liabilities	<u>13,293,718</u>	<u>52</u>	<u>14,267,252</u>	<u>53</u>	<u>12,366,084</u>	<u>51</u>
Equity :						
Ordinary share	5,417,185	21	5,417,185	20	5,422,477	22
Share capital awaiting retirement	-	-	-	-	(4,000)	-
	<u>5,417,185</u>	<u>21</u>	<u>5,417,185</u>	<u>20</u>	<u>5,418,477</u>	<u>22</u>
Capital surplus	2,583,765	10	3,004,591	11	3,009,240	12
Retained earnings :						
Legal reserve	1,127,420	4	1,127,420	4	1,127,420	5
Special reserve	448,804	2	731,766	3	731,766	3
Unappropriated retained earnings(accumulated deficit)	276,027	1	(127,976)	-	(375,609)	(2)
	<u>1,852,251</u>	<u>7</u>	<u>1,731,210</u>	<u>7</u>	<u>1,483,577</u>	<u>6</u>
Other equity interest	(474,147)	(2)	(448,804)	(2)	(823,278)	(3)
Total equity attributable to owners of parent	<u>9,379,054</u>	<u>36</u>	<u>9,704,182</u>	<u>36</u>	<u>9,088,016</u>	<u>37</u>
Non-controlling interests	2,993,921	12	3,034,149	11	2,986,360	12
Total equity	<u>12,372,975</u>	<u>48</u>	<u>12,738,331</u>	<u>47</u>	<u>12,074,376</u>	<u>49</u>
Total liabilities and equity	\$ 25,666,693	100	27,005,583	100	24,440,460	100

ALPHA NETWORKS INC. AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income

For the three-month periods from April 1 to June 30, 2021 and 2020, and the six-month periods from January 1 to June 30, 2021 and 2020
(Expressed in thousands of New Taiwan dollars, except for earnings per share)

	2021/4/1~2021/6/30		2020/4/1~2020/6/30		2021/1/1~2021/6/30		2020/1/1~2020/6/30	
	Amount	%	Amount	%	Amount	%	Amount	%
Operating revenue	\$ 7,555,030	100	7,725,035	100	14,748,317	100	12,709,155	100
Operating costs	6,400,212	85	6,458,722	84	12,519,494	85	10,597,710	83
Gross profit from operations	1,154,818	15	1,266,313	16	2,228,823	15	2,111,445	17
Operating expenses :								
Selling expenses	273,737	4	299,122	4	550,336	4	589,773	6
Administrative expenses	325,065	4	301,637	4	614,682	4	562,870	4
Research and development expenses	391,106	5	407,273	5	743,091	5	805,096	6
Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	(12,932)	-	8,578	-	(7,913)	-	(11,037)	-
Total operating expenses	976,976	13	1,016,610	13	1,900,196	13	1,946,702	16
Net operating income (loss)	177,842	2	249,703	3	328,627	2	164,743	1
Non-operating income and expenses :								
Other income	24,681	1	47,914	1	38,444	-	57,456	-
Other gains and losses	6,714	-	14,620	-	2,526	-	(12,528)	-
Finance costs	(8,993)	-	(11,806)	-	(19,644)	-	(26,260)	-
Interest income	6,394	-	5,055	-	12,323	-	17,562	-
Total non-operating income and expenses	28,796	1	55,783	1	33,649	-	36,230	-
Profit (loss) before tax	206,638	3	305,486	4	362,276	2	200,973	1
Tax expenses	69,531	1	28,430	-	107,806	-	61,851	-
Profit (loss)	137,107	2	277,056	4	254,470	2	139,122	1
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	-	-	78,099	1	(1,910)	-	61,213	-
Components of other comprehensive income that will be reclassified to profit or loss								
Exchange differences on translation	(66,294)	(1)	(99,625)	(1)	(27,282)	-	(160,496)	(1)
Other comprehensive income, net	(66,294)	(1)	(21,526)	-	(29,192)	-	(99,283)	(1)
Total comprehensive income	\$ 70,813	1	255,530	4	225,278	2	39,839	-
Profit (loss), attributable to:								
Profit (loss), attributable to owners of parent	\$ 116,171	2	211,397	3	229,385	2	82,084	1
Profit (loss), attributable to non-controlling interests	20,936	-	65,659	1	25,085	-	57,038	-

ALPHA NETWORKS INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
For the six-month periods from January 1 to June 30, 2021 and 2020
(Expressed in thousands of New Taiwan dollars)

	2021/1/1~2021/6/30	2020/1/1~2020/6/30
Cash flows from operating activities:		
Profit before tax	\$ 362,276	200,973
Adjustments		
Adjustments to reconcile profit		
Depreciation expenses	277,596	238,901
Amortization expenses	95,625	98,850
Expected credit gain	(7,913)	(11,037)
Net gain on financial assets or liabilities at fair value through profit or loss	(19,275)	(978)
Interest expense	19,644	26,260
Interest income	(12,323)	(17,562)
Share-based payments	-	11,495
Loss on disposal of property, plant and equipment	8,666	1,103
Provision for inventory obsolescence and devaluation loss	31,921	107,687
Total adjustments to reconcile profit	393,941	454,719
Changes in operating assets and liabilities:		
Decrease (increase) in notes and accounts receivable	1,702,256	(953,681)
Decrease in financial assets at fair value through profit or loss, mandatorily measured at fair value	18,982	6,839
Increase in inventories	(543,202)	(1,701,224)
Decrease (increase) in other current assets	92,672	(250,924)
Total changes in operating assets	1,270,708	(2,898,990)
Increase (Decrease) in accounts payable	(1,143,383)	1,300,081
Increase (Decrease) in other payable to related parties	6,975	(1,005)
Decrease in financial liabilities at fair value through profit or loss, mandatorily measured at fair value	(10,920)	(377)
Decrease in other current liabilities	(746,423)	(202,442)
Decrease in net defined benefit liability	(23,853)	(14,531)
Total Changes in operating liabilities	(1,917,604)	1,081,726
Total changes in operating assets and liabilities	(646,896)	(1,817,264)
Total adjustments	(252,955)	(1,362,545)
Cash inflow (outflow) generated from operations	109,321	(1,161,572)
Interest received	11,955	16,576
Interest paid	(20,003)	(19,135)
Income taxes paid	(158,438)	(69,078)
Cash flows used in operating activities	(57,165)	(1,233,209)
Cash flows from investing activities		
Acquisition of financial assets at amortised cost	(986,236)	(313,766)
Proceeds from repayments of financial assets at amortised cost	210,316	3,169,118
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	36,163
Net cash flow from acquisition of subsidiaries	-	(3,200,000)
Acquisition of property, plant and equipment	(121,932)	(713,091)
Proceeds from disposal of property, plant and equipment	8,634	9,855
Increase in refundable deposits	(175)	(13,713)
Acquisition of intangible assets	(40,454)	(39,657)
Increase in other non-current assets	(194,186)	(44,164)
Net cash flows used in investing activities	(1,112,182)	(1,131,482)
Cash flows from financing activities:		
Increase in short-term loans	402,294	1,772,105
Repayments of long-term debt	-	(270,000)
Increase (decrease) in guarantee deposits received	675	(1,332)
Payments of lease liabilities	(24,476)	(29,023)
Proceeds from endowments received by the company	(220)	60
Net cash flows from financing activities	378,273	1,471,810
Effect of exchange rate changes on cash and cash equivalents	24,567	(74,258)
Net decrease in cash and cash equivalents	(766,507)	(967,139)
Cash and cash equivalents at beginning of period	5,710,004	5,918,331
Cash and cash equivalents at end of period	\$ 4,943,497	4,951,192