

**ALPHA NETWORKS INC. AND SUBSIDIARIES**  
**Consolidated Balance Sheet**  
**March 31, 2022, December 31 and March 31, 2021**  
(Expressed in thousands of New Taiwan dollars)

	2022/3/31		2021/12/31		2021/3/31			2022/3/31		2021/12/31		2021/3/31	
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%
<b>Assets</b>							<b>Liabilities and Equity</b>						
<b>Current assets :</b>							<b>Current liabilities :</b>						
Cash and cash equivalents	\$ 3,776,520	14	\$ 4,498,050	19	\$ 5,824,230	23	Current borrowings	\$ 5,182,573	19	\$ 4,044,952	16	\$ 3,115,219	12
Current financial assets at fair value through profit or loss	67,724	-	67,565	-	59,908	-	Current financial liabilities at fair value through profit or loss	12,452	-	2,927	-	17,603	-
Current financial assets at amortised cost	399,940	1	375,007	2	98,528	-	Accounts payable(including related parties)	5,288,171	20	4,193,913	17	5,543,388	22
net	4,794,577	18	4,053,112	16	5,111,127	20	Accrued expenses	547,599	2	501,745	2	648,354	3
Inventories	11,507,229	42	9,238,822	37	7,300,324	29	Dividends payable, non-cash assets distributions	622,396	2	-	-	-	-
Other current assets	494,444	2	467,666	2	921,992	4	Current tax liabilities	321,302	1	233,597	1	315,367	1
	21,040,434	77	18,700,222	76	19,316,109	76	Current provisions	282,823	1	286,255	1	332,244	1
<b>Non-current assets :</b>							Bonds payable, current portion	421,310	2	461,471	2	455,931	2
Non-current financial assets at fair value through other comprehensive income	19,094	-	19,335	-	19,335	-	Other current liabilities, others	1,719,604	6	1,858,655	8	1,628,673	6
Non-current financial assets at amortised cost	132,986	-	136,777	-	164,634	-		14,398,230	53	11,583,515	47	12,056,779	47
Property, plant and equipment	3,876,034	14	3,654,414	15	3,836,207	15	<b>Non-current liabilities :</b>						
Right-of-use assets	440,085	2	422,208	2	416,873	2	Non-current portion of non-current borrowings	26,000	-	-	-	-	-
Intangible assets	1,328,711	5	1,344,845	5	1,413,447	5	Non-current lease liabilities	229,513	1	224,220	1	201,200	1
Deferred tax assets	253,821	1	228,983	1	261,459	1	Net defined benefit liability, non-current	194,630	1	204,784	1	196,480	1
Other non-current assets	305,524	1	224,000	1	128,808	1	Other non-current liabilities	180,034	-	159,161	-	136,995	1
	6,356,255	23	6,030,562	24	6,240,763	24		630,177	2	588,165	2	534,675	3
							<b>Total liabilities</b>	15,028,407	55	12,171,680	49	12,591,454	50
							<b>Equity :</b>						
							Ordinary share	5,417,185	20	5,417,185	22	5,417,185	21
							Capital surplus	2,536,428	9	2,583,772	10	3,017,347	12
							Retained earnings :						
							Legal reserve	1,127,420	4	1,127,420	5	1,127,420	4
							Special reserve	448,804	2	448,804	2	731,766	3
							Unappropriated retained earnings	227,291	1	472,330	2	(14,762)	-
								1,803,515	7	2,048,554	9	1,844,424	7
							Other equity interest	(233,788)	(1)	(447,092)	(2)	(420,706)	(2)
							Total equity attributable to owners of parent	9,523,340	35	9,602,419	39	9,858,250	38
							Non-controlling interests	2,844,942	10	2,956,685	12	3,107,168	12
							<b>Total equity</b>	12,368,282	45	12,559,104	51	12,965,418	50
<b>Total assets</b>	<b>\$ 27,396,689</b>	<b>100</b>	<b>\$ 24,730,784</b>	<b>100</b>	<b>\$ 25,556,872</b>	<b>100</b>	<b>Total liabilities and equity</b>	<b>\$ 27,396,689</b>	<b>100</b>	<b>\$ 24,730,784</b>	<b>100</b>	<b>\$ 25,556,872</b>	<b>100</b>

**ALPHA NETWORKS INC. AND SUBSIDIARIES**  
**Consolidated Statements of Comprehensive Income**  
For the three-month periods from January 1 to March 31, 2022 and 2021  
(Expressed in thousands of New Taiwan dollars, except for earnings per share)

	2022/1/1~2022/3/31		2021/1/1~2021/3/31	
	Amount	%	Amount	%
4100 Operating revenue	\$ 6,874,890	100	7,193,287	100
5000 Operating costs	5,573,621	81	6,119,282	85
<b>Gross profit from operations</b>	<b>1,301,269</b>	<b>19</b>	<b>1,074,005</b>	<b>15</b>
<b>Operating expenses :</b>				
6100 Selling expenses	304,821	4	276,599	4
6200 Administrative expenses	311,652	5	289,617	4
6300 Research and development expenses	417,408	6	351,985	5
6450 Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	(2,461)	-	5,019	-
<b>Total operating expenses</b>	<b>1,031,420</b>	<b>15</b>	<b>923,220</b>	<b>13</b>
<b>Net operating income (loss)</b>	<b>269,849</b>	<b>4</b>	<b>150,785</b>	<b>2</b>
<b>Non-operating income and expenses :</b>				
7010 Other income	7,459	-	13,763	-
7020 Other gains and losses	(2,055)	-	(4,188)	-
7050 Finance costs	(12,896)	-	(10,651)	-
7100 Interest income	4,130	-	5,929	-
<b>Total non-operating income and expenses</b>	<b>(3,362)</b>	<b>-</b>	<b>4,853</b>	<b>-</b>
<b>Profit (loss) before tax</b>	<b>266,487</b>	<b>4</b>	<b>155,638</b>	<b>2</b>
7950 Tax expenses	105,436	2	38,275	1
<b>Profit (loss)</b>	<b>161,051</b>	<b>2</b>	<b>117,363</b>	<b>1</b>
8300 <b>Other comprehensive income:</b>				
<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>				
8310				
8311 Gains (losses) on remeasurements of defined benefit plans	545	-	-	-
Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(241)	-	(1,910)	-
<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>	<b>304</b>	<b>-</b>	<b>(1,910)</b>	<b>-</b>
<b>Components of other comprehensive income that will be reclassified to profit or loss</b>				
8360				
8361 Exchange differences on translation	244,843	4	39,012	1
<b>Other comprehensive income, net</b>	<b>245,147</b>	<b>4</b>	<b>37,102</b>	<b>1</b>
8500 <b>Total comprehensive income</b>	<b>\$ 406,198</b>	<b>6</b>	<b>154,465</b>	<b>2</b>
<b>Profit (loss), attributable to:</b>				
8610 Profit (loss), attributable to owners of parent	\$ 133,825	2	113,214	1
8620 Profit (loss), attributable to non-controlling interests	27,226	-	4,149	-

**ALPHA NETWORKS INC. AND SUBSIDIARIES**  
**Consolidated Statements of Cash Flows**  
For the three-month periods from January 1 to March 31, 2022 and 2021  
(Expressed in thousands of New Taiwan dollars)

	<u>2022/1/1~2022/3/31</u>	<u>2021/1/1~2021/3/31</u>
<b>Cash flows from (used in) operating activities:</b>		
<b>Profit before tax</b>	\$ 266,487	155,638
<b>Adjustments</b>		
<b>Adjustments to reconcile profit (loss)</b>		
Depreciation expenses	117,524	146,171
Amortization expenses	49,972	48,468
Expected credit (gain) loss	(2,461)	5,019
Net gain on financial assets or liabilities at fair value through profit or loss	11,944	9,173
Interest expense	12,896	10,651
Interest income	(4,130)	(5,929)
Loss on disposal of property, plant and equipment	50	240
Provision for inventory obsolescence and devaluation loss	31,940	18,033
<b>Total adjustments to reconcile profit (loss)</b>	<u>217,735</u>	<u>231,826</u>
<b>Changes in operating assets and liabilities:</b>		
Decrease (Increase) in notes and accounts receivable	(739,004)	1,684,932
Decrease in financial assets at fair value through profit or loss, mandatorily measured at fair value	349	18,982
Increase in inventories	(2,300,347)	(288,987)
Increase in other current assets	(25,384)	(10,810)
<b>Total changes in operating assets</b>	<u>(3,064,386)</u>	<u>1,404,117</u>
Decrease in financial liabilities held for trading	(2,927)	(10,920)
Increase (Decrease) in accounts payable	1,094,258	(1,284,715)
Increase (Decrease) in other payable to related parties	(1,427)	300
Decrease in other current liabilities	(107,042)	(586,166)
Decrease in net defined benefit liability	(9,609)	(23,887)
<b>Total Changes in operating liabilities</b>	<u>973,253</u>	<u>(1,905,388)</u>
<b>Total changes in operating assets and liabilities</b>	<u>(2,091,133)</u>	<u>(501,271)</u>
<b>Total adjustments</b>	<u>(1,873,398)</u>	<u>(269,445)</u>
Cash outflow generated from operations	(1,606,911)	(113,807)
Interest received	1,819	6,087
Interest paid	(12,501)	(8,490)
Income taxes paid	(31,289)	(3,815)
<b>Cash flows from (used in) operating activities</b>	<u>(1,648,882)</u>	<u>(120,025)</u>
<b>Cash flows from (used in) investing activities</b>		
Acquisition of financial assets at amortised cost	(399,940)	(71,636)
Proceeds from repayments of financial assets at amortised cost	375,007	138,680
Proceeds from disposal of financial assets at fair value through profit or loss	0	11,851
Acquisition of property, plant and equipment	(270,662)	(76,288)
Proceeds from disposal of property, plant and equipment	680	975
Increase (decrease) in refundable deposits	3,791	(8,159)
Acquisition of intangible assets	(32,915)	(23,774)
Increase in other non-current assets	(81,652)	(33,320)
<b>Net cash flows from (used in) investing activities</b>	<u>(405,691)</u>	<u>(61,671)</u>
<b>Cash flows from (used in) financing activities:</b>		
Increase in short-term loans	1,137,621	272,457
Repayments of long-term debt	26,000	-
Increase (decrease) in guarantee deposits received	330	2,371
Payments of lease liabilities	(7,709)	(15,685)
Proceeds from endowments received by the company	13	-
<b>Net cash flows from (used in) financing activities</b>	<u>1,156,255</u>	<u>259,143</u>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<u>176,788</u>	<u>36,779</u>
<b>Net decrease in cash and cash equivalents</b>	<u>(721,530)</u>	<u>114,226</u>
<b>Cash and cash equivalents at beginning of period</b>	<u>4,498,050</u>	<u>5,710,004</u>
<b>Cash and cash equivalents at end of period</b>	<u>\$ 3,776,520</u>	<u>5,824,230</u>