

ALPHA NETWORKS INC. AND SUBSIDIARIES
Consolidated Balance Sheet
June 30, 2022, December 31 and June 30, 2021
(Expressed in thousands of New Taiwan dollars)

	2022/6/30		2021/12/31		2021/6/30			2022/6/30		2021/12/31		2021/6/30	
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%
Assets							Liabilities and Equity						
Current assets :							Current liabilities :						
Cash and cash equivalents	\$ 4,474,010	15	\$ 4,498,050	19	\$ 4,943,497	19	Current borrowings	\$ 6,651,002	23	\$ 4,044,952	16	\$ 3,245,056	13
Current financial assets at fair value through profit or loss	64,975	-	67,565	-	74,110	-	Current financial liabilities at fair value through profit or loss	11,026	-	2,927	-	3,357	-
Current financial assets at amortised cost	29,980	-	375,007	2	917,833	4	Accounts payable(including related parties)	5,157,874	18	4,193,913	17	5,684,699	22
net	5,989,515	20	4,053,112	16	5,106,735	20	Accrued expenses	658,853	2	501,745	2	469,027	1
Inventories	11,352,084	39	9,238,822	37	7,540,651	29	Dividends payable, non-cash assets distributions	561,737	2	-	-	663,036	3
Other current assets	913,853	4	467,666	2	839,385	3	Current tax liabilities	292,202	1	233,597	1	216,807	1
	22,824,417	78	18,700,222	76	19,422,211	75	Current provisions	269,150	1	286,255	1	320,360	1
Non-current assets :							Bonds payable, current portion	411,185	1	461,471	2	457,868	1
Non-current financial assets at fair value through other comprehensive income	19,094	-	19,335	-	19,335	-	Other current liabilities, others	1,895,867	6	1,858,655	8	1,692,277	7
Non-current financial assets at amortised cost	137,745	-	136,777	-	156,846	1		15,908,896	54	11,583,515	47	12,752,487	49
Property, plant and equipment	3,810,736	13	3,654,414	15	3,789,598	15	Non-current liabilities :						
Right-of-use assets	436,258	1	422,208	2	418,894	2	Non-current portion of non-current borrowings	26,000	-	-	-	-	-
Intangible assets	1,361,386	5	1,344,845	5	1,383,429	5	Non-current lease liabilities	226,297	1	224,220	1	211,984	1
Deferred tax assets	226,344	1	228,983	1	248,272	1	Net defined benefit liability, non-current	194,804	1	204,784	1	196,514	1
Other non-current assets	439,018	2	224,000	1	228,108	1	Other non-current liabilities	163,609	-	159,161	-	132,733	1
	6,430,581	22	6,030,562	24	6,244,482	25		610,710	2	588,165	2	541,231	3
							Total liabilities	16,519,606	56	12,171,680	49	13,293,718	52
							Equity :						
							Ordinary share	5,417,185	19	5,417,185	22	5,417,185	21
							Capital surplus	2,538,226	9	2,583,772	10	2,583,765	10
							Retained earnings :						
							Legal reserve	1,169,989	4	1,127,420	5	1,127,420	4
							Special reserve	447,091	2	448,804	2	448,804	2
							Unappropriated retained earnings	429,448	1	472,330	2	276,027	1
								2,046,528	7	2,048,554	9	1,852,251	7
							Other equity interest	(225,285)	(1)	(447,092)	(2)	(474,147)	(2)
							Total equity attributable to owners of parent	9,776,654	34	9,602,419	39	9,379,054	36
							Non-controlling interests	2,958,738	10	2,956,685	12	2,993,921	12
							Total equity	12,735,392	44	12,559,104	51	12,372,975	48
Total assets	\$ 29,254,998	100	\$ 24,730,784	100	\$ 25,666,693	100	Total liabilities and equity	\$ 29,254,998	100	\$ 24,730,784	100	\$ 25,666,693	100

ALPHA NETWORKS INC. AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income

For the three-month periods from April 1 to June 30, 2022 and 2021, and the six-month periods from January 1 to June 30, 2022 and 2021
(Expressed in thousands of New Taiwan dollars, except for earnings per share)

	2022/4/1~2022/6/30		2021/4/1~2022/6/30		2022/1/1~2022/6/30		2021/1/1~2021/6/30	
	Amount	%	Amount	%	Amount	%	Amount	%
Operating revenue	\$ 8,287,178	100	7,555,030	100	15,162,068	100	14,748,317	100
Operating costs	6,699,117	81	6,400,212	85	12,272,738	81	12,519,494	85
Gross profit from operations	1,588,061	19	1,154,818	15	2,889,330	19	2,228,823	15
Operating expenses :								
Selling expenses	324,304	4	273,737	4	629,125	4	550,336	4
Administrative expenses	352,423	4	325,065	4	664,075	4	614,682	4
Research and development expenses	463,388	6	391,106	5	880,796	6	743,091	5
Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	5,790	-	(12,932)	-	3,329	-	(7,913)	-
Total operating expenses	1,145,905	14	976,976	13	2,177,325	14	1,900,196	13
Net operating income (loss)	442,156	5	177,842	2	712,005	5	328,627	2
Non-operating income and expenses :								
Other income	13,376	-	24,681	1	20,835	-	38,444	-
Other gains and losses	(20,024)	-	6,714	-	(22,079)	-	2,526	-
Finance costs	(23,353)	-	(8,993)	-	(36,249)	-	(19,644)	-
Interest income	7,154	-	6,394	-	11,284	-	12,323	-
Total non-operating income and expenses	(22,847)	-	28,796	1	(26,209)	-	33,649	-
Profit (loss) before tax	419,309	5	206,638	3	685,796	5	362,276	2
Tax expenses	99,269	1	69,531	1	204,705	2	107,806	-
Profit (loss)	320,040	4	137,107	2	481,091	3	254,470	2
Other comprehensive income:								
Components of other comprehensive income that will not be reclassified to profit or loss								
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)	-
Components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-	304	-	(1,910)	-
Components of other comprehensive income that will be reclassified to profit or loss								
Exchange differences on translation	35,635	-	(66,294)	(1)	280,478	2	(27,282)	-
Other comprehensive income, net	35,635	-	(66,294)	(1)	280,782	2	(29,192)	-
Total comprehensive income	\$ 355,675	4	70,813	1	761,873	5	225,278	2
Profit (loss), attributable to:								
Profit (loss), attributable to owners of parent	\$ 243,013	3	116,171	2	376,838	2	229,385	2
Profit (loss), attributable to non-controlling interests	77,027	1	20,936	-	104,253	1	25,085	-

ALPHA NETWORKS INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
For the six-month periods from January 1 to June 30, 2022 and 2021
(Expressed in thousands of New Taiwan dollars)

	<u>2022/1/1~2022/6/30</u>	<u>2021/1/1~2021/6/30</u>
Cash flows from (used in) operating activities:		
Profit before tax	\$ 685,796	362,276
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expenses	237,864	277,596
Amortization expenses	103,169	95,625
Expected credit (gain) loss	3,329	(7,913)
Net gain on financial assets or liabilities at fair value through profit or loss	13,294	(19,275)
Interest expense	36,249	19,644
Interest income	(11,284)	(12,323)
Loss on disposal of property, plant and equipment	72	8,666
Provision for inventory obsolescence and devaluation loss	59,300	31,921
Total adjustments to reconcile profit (loss)	<u>441,993</u>	<u>393,941</u>
Changes in operating assets and liabilities:		
Notes and accounts receivable	(1,939,732)	1,702,256
Financial assets at fair value through profit or loss, mandatorily measured at fair value	322	18,982
Increase in inventories	(2,172,562)	(543,202)
Other current assets	(465,609)	92,672
Total changes in operating assets	<u>(4,577,581)</u>	<u>1,270,708</u>
Financial liabilities held for trading	(2,927)	(10,920)
Accounts payable (including related parties)	963,961	(1,143,383)
Other payable to related parties	(1,109)	6,975
Other current liabilities	196,857	(746,423)
Net defined benefit liability	(9,435)	(23,853)
Total Changes in operating liabilities	<u>1,147,347</u>	<u>(1,917,604)</u>
Total changes in operating assets and liabilities	<u>(3,430,234)</u>	<u>(646,896)</u>
Total adjustments	<u>(2,988,241)</u>	<u>(252,955)</u>
Cash (outflow) inflow generated from operations	(2,302,445)	109,321
Interest received	12,733	11,955
Interest paid	(27,657)	(20,003)
Income taxes paid	(167,718)	(158,438)
Cash flows from (used in) operating activities	<u>(2,485,087)</u>	<u>(57,165)</u>
Cash flows from (used in) investing activities		
Acquisition of financial assets at amortised cost	(399,940)	(986,236)
Proceeds from repayments of financial assets at amortised cost	744,967	210,316
Proceeds from disposal of financial assets at fair value through profit or loss	-	11,851
Acquisition of property, plant and equipment	(287,430)	(121,932)
Proceeds from disposal of property, plant and equipment	3,188	8,634
Increase in refundable deposits	(968)	(175)
Acquisition of intangible assets	(118,430)	(40,454)
Increase in other non-current assets	(212,419)	(194,186)
Net cash flows from (used in) investing activities	<u>(271,032)</u>	<u>(1,112,182)</u>
Cash flows from (used in) financing activities:		
Increase in short-term loans	2,606,050	402,294
Proceeds from long-term debt	26,000	-
Increase in guarantee deposits received	980	675
Payments of lease liabilities	(16,094)	(24,476)
Cash dividends paid to non-controlling interests	(60,659)	-
Proceeds from endowments received by the company	13	(220)
Net cash flows from (used in) financing activities	<u>2,556,290</u>	<u>378,273</u>
Effect of exchange rate changes on cash and cash equivalents	<u>175,789</u>	<u>24,567</u>
Net decrease in cash and cash equivalents	(24,040)	(766,507)
Cash and cash equivalents at beginning of period	4,498,050	5,710,004
Cash and cash equivalents at end of period	<u>\$ 4,474,010</u>	<u>4,943,497</u>