

ALPHA NETWORKS INC. AND SUBSIDIARIES
Consolidated Balance Sheet
March 31, 2023, December 31 and March 31, 2022
(Expressed in thousands of New Taiwan dollars)

	2023/3/31		2022/12/31		2022/3/31	
	Amount	%	Amount	%	Amount	%
Assets						
Current assets :						
Cash and cash equivalents	\$ 4,006,913	15	\$ 4,084,284	15	\$ 3,776,520	14
Current financial assets at fair value through profit or loss	39,981	-	61,084	-	67,724	-
Current financial assets at amortised cost	220,000	1	-	-	399,940	1
Notes and accounts receivable, net(including related parties)	4,941,288	19	5,598,816	21	4,794,577	18
Inventories	9,438,255	35	9,424,252	35	11,507,229	42
Other current assets	1,037,076	4	1,074,308	4	494,444	2
	<u>19,683,513</u>	<u>74</u>	<u>20,242,744</u>	<u>75</u>	<u>21,040,434</u>	<u>77</u>
Non-current assets :						
Non-current financial assets at fair value through other comprehensive income	171,994	-	171,994	-	19,094	-
Non-current financial assets at amortised cost	128,112	-	144,873	-	132,986	-
Property, plant and equipment	4,431,108	17	4,222,057	16	3,876,034	14
Right-of-use assets	518,016	2	427,860	2	440,085	2
Intangible assets	1,273,049	5	1,304,437	5	1,328,711	5
Deferred tax assets	199,650	1	222,151	1	253,821	1
Other non-current assets	202,101	1	396,898	1	305,524	1
	<u>6,924,030</u>	<u>26</u>	<u>6,890,270</u>	<u>25</u>	<u>6,356,255</u>	<u>23</u>
Total assets	\$ 26,607,543	100	\$ 27,133,014	100	\$ 27,396,689	100

	2023/3/31		2022/12/31		2022/3/31	
	Amount	%	Amount	%	Amount	%
Liabilities and Equity						
Current liabilities :						
Current borrowings	\$ 3,200,755	12	\$ 3,936,093	14	\$ 5,182,573	19
Current financial liabilities at fair value through profit or loss	6,399	-	9,836	-	12,452	-
Accounts payable(including related parties)	5,199,869	20	5,031,113	19	5,288,171	20
Accrued expenses	511,831	2	845,618	3	547,599	2
Dividends payable, non-cash assets distributions	1,208,651	5	-	-	622,396	2
Current tax liabilities	533,298	2	475,146	2	321,302	1
Current provisions	397,598	1	385,198	1	282,823	1
Bonds payable, current portion	-	-	-	-	421,310	2
Long-term borrowings, current portion	-	-	26,000	-	-	-
Other current liabilities, others	1,924,341	7	2,338,091	9	1,719,604	6
	<u>12,982,742</u>	<u>49</u>	<u>13,047,095</u>	<u>48</u>	<u>14,398,230</u>	<u>53</u>
Non-current liabilities :						
Bonds payable	570,126	3	-	-	-	-
Non-current portion of non-current borrowings	-	-	-	-	26,000	-
Non-current lease liabilities current	225,268	1	217,451	1	229,513	1
Other non-current liabilities	103,860	-	145,642	-	194,630	1
	<u>135,605</u>	<u>-</u>	<u>166,207</u>	<u>1</u>	<u>180,034</u>	<u>-</u>
	<u>1,034,859</u>	<u>4</u>	<u>529,300</u>	<u>2</u>	<u>630,177</u>	<u>2</u>
Total liabilities	14,017,601	53	13,576,395	50	15,028,407	55
Equity :						
Ordinary share	5,417,185	20	5,417,185	20	5,417,185	20
Capital surplus	2,564,934	10	2,544,401	9	2,536,428	9
Retained earnings :						
Legal reserve	1,169,989	4	1,169,989	4	1,127,420	4
Special reserve	447,091	2	447,091	2	448,804	2
Unappropriated retained earnings	277,590	1	1,019,195	4	227,291	1
	<u>1,894,670</u>	<u>7</u>	<u>2,636,275</u>	<u>10</u>	<u>1,803,515</u>	<u>7</u>
Other equity interest	(215,114)	(1)	(226,549)	(1)	(233,788)	(1)
Total equity attributable to owners of parent	9,661,675	36	10,371,312	38	9,523,340	35
Non-controlling interests	2,928,267	11	3,185,307	12	2,844,942	10
Total equity	12,589,942	47	13,556,619	50	12,368,282	45
Total liabilities and equity	\$ 26,607,543	100	\$ 27,133,014	100	\$ 27,396,689	100

ALPHA NETWORKS INC. AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
For the three-month periods from January 1 to March 31, 2023 and 2022
(Expressed in thousands of New Taiwan dollars, except for earnings per share)

	2023/1/1~2023/3/31		2022/1/1~2022/3/31	
	Amount	%	Amount	%
Operating revenue	\$ 7,869,340	####	6,874,890	100.0
Operating costs	6,469,569	82.0	5,573,621	81.0
Gross profit from operations	1,399,771	18.0	1,301,269	19.0
Operating expenses :				
Selling expenses	298,966	4.0	304,821	4.0
Administrative expenses	315,152	4.0	311,652	5.0
Research and development expenses	463,188	6.0	417,408	6.0
Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	9,155	-	(2,461)	-
Total operating expenses	1,086,461	14.0	1,031,420	15.0
Net operating income (loss)	313,310	4.0	269,849	4.0
Non-operating income and expenses :				
Other income	19,836	-	7,459	-
Other gains and losses	(45,409)	(1.0)	(2,055)	-
Finance costs	(31,541)	-	(12,896)	-
Interest income	17,061	-	4,130	-
Total non-operating income and expenses	(40,053)	(1.0)	(3,362)	-
Profit (loss) before tax	273,257	3.0	266,487	4.0
Tax expenses	86,403	1.0	105,436	2.0
Profit (loss)	186,854	2.0	161,051	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)	-
Components of other comprehensive income that will not be reclassified to profit or loss	-	-	304	-
Components of other comprehensive income that will be reclassified to profit or loss				
Exchange differences on translation	4,210	-	244,843	4
Other comprehensive income, net	4,210	-	245,147	4
Total comprehensive income	\$ 191,064	2	406,198	6
Profit (loss), attributable to:				
Profit (loss), attributable to owners of parent	\$ 173,899	2	133,825	2
Profit (loss), attributable to non-controlling interests	12,955	-	27,226	-
	\$ 186,854	2	161,051	2

ALPHA NETWORKS INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
For the three-month periods from January 1 to March 31, 2023 and 2022
(Expressed in thousands of New Taiwan dollars)

	<u>2023/1/1~2023/3/31</u>	<u>2022/1/1~2022/3/31</u>
Cash flows from (used in) operating activities:		
Profit before tax	\$ 273,257	266,487
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expenses	140,964	117,524
Amortization expenses	55,264	49,972
Expected credit (gain) loss	9,155	(2,461)
Net gain on financial assets or liabilities at fair value through profit or loss	6,055	11,944
Interest expense	31,541	12,896
Interest income	(17,061)	(4,130)
Loss on disposal of property, plant and equipment	0	50
Provision for inventory obsolescence and devaluation loss	84,592	31,940
	<u>(1,775)</u>	<u>-</u>
Total adjustments to reconcile profit (loss)	<u>308,735</u>	<u>217,735</u>
Changes in operating assets and liabilities:		
Notes and accounts receivable (including related parties)	643,069	(739,004)
Financial assets at fair value through profit or loss, mandatorily measured at fair value	(604)	349
Inventories	(76,699)	(2,300,347)
Other current assets	48,959	(25,384)
Financial liabilities held for trading	(9,836)	(2,927)
Accounts payable (including related parties)	160,785	1,094,258
Other payable to related parties	(2,968)	(1,427)
Other current liabilities	(832,949)	(107,042)
Net defined benefit liability	(41,782)	(9,609)
Other operating liabilities	(12,597)	-
Total changes in operating assets and liabilities	<u>(124,622)</u>	<u>(2,091,133)</u>
Total adjustments	<u>184,113</u>	<u>(1,873,398)</u>
Cash outflow generated from operations	457,370	(1,606,911)
Interest received	16,653	1,819
Interest paid	(27,436)	(12,501)
Income taxes paid	(34,370)	(31,289)
Cash flows from (used in) operating activities	<u>412,217</u>	<u>(1,648,882)</u>
Cash flows from (used in) investing activities		
Proceeds from disposal of financial assets at fair value through profit or loss	23,766	-
Acquisition of financial assets at amortised cost	(220,000)	(399,940)
Proceeds from repayments of financial assets at amortised cost	2,730	375,007
Acquisition of property, plant and equipment	(356,967)	(270,662)
Proceeds from disposal of property, plant and equipment	20,835	680
Decrease in refundable deposits	13,981	3,791
Acquisition of intangible assets	(23,956)	(32,915)
Decrease (increase) in other non-current assets	191,755	(81,652)
Net cash flows from (used in) investing activities	<u>(347,856)</u>	<u>(405,691)</u>
Cash flows from (used in) financing activities:		
Increase in short-term loans	2,813,046	8,584,604
Decrease in short-term loans	(3,445,699)	(7,446,983)
Proceeds from issuing bonds	631,884	-
Proceeds from long-term debt	0	26,000
Repayments of long-term debt	(26,000)	-
(Decrease) increase in guarantee deposits received	(443)	330
Payments of lease liabilities	(11,341)	(7,709)
Proceeds from endowments received by the company	16	13
Net cash flows from (used in) financing activities	<u>(38,537)</u>	<u>1,156,255</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(103,195)</u>	<u>176,788</u>
Net decrease in cash and cash equivalents	<u>(77,371)</u>	<u>(721,530)</u>
Cash and cash equivalents at beginning of period	<u>4,084,284</u>	<u>4,498,050</u>
Cash and cash equivalents at end of period	<u>\$ 4,006,913</u>	<u>3,776,520</u>