

ALPHA NETWORKS INC. AND SUBSIDIARIES
Consolidated Balance Sheet
June 30, 2023, December 31 and June 30, 2022
(Expressed in thousands of New Taiwan dollars)

	2023/6/30		2022/12/31		2022/6/30			2023/6/30		2022/12/31		2022/6/30	
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%
Assets							Liabilities and Equity						
Current assets :							Current liabilities :						
Cash and cash equivalents	\$ 4,948,207	19	\$ 4,084,284	15	\$ 4,474,010	15	Current borrowings	\$ 3,920,339	15	\$ 3,936,093	14	\$ 6,651,002	23
Current financial assets at fair value through profit or loss	5,337	-	61,084	-	64,975	-	Current financial liabilities at fair value through profit or loss	14,349	-	9,836	-	11,026	-
Current financial assets at amortised cost	20,000	-	-	-	29,980	-	Accounts payable(including related parties)	3,171,865	12	5,031,113	19	5,157,874	18
Notes and accounts receivable, net (including related parties)	5,099,697	20	5,598,816	21	5,989,515	20	Accrued expenses	681,678	3	845,618	3	658,853	2
Inventories	7,418,871	29	9,424,252	35	11,352,084	39	Dividends payable, non-cash assets distributions	1,211,886	5	-	-	561,737	2
Other current assets	1,066,946	4	1,074,308	4	913,853	4	Current tax liabilities	322,501	1	475,146	2	292,202	1
	<u>18,559,058</u>	<u>72</u>	<u>20,242,744</u>	<u>75</u>	<u>22,824,417</u>	<u>78</u>	Current provisions	392,805	2	385,198	1	269,150	1
Non-current assets :							Bonds payable, current portion	-	-	-	-	411,185	1
Non-current financial assets at fair value through other comprehensive income	171,994	1	171,994	-	19,094	-	Long-term borrowings, current portion	-	-	26,000	-	-	-
Non-current financial assets at amortised cost	146,025	-	144,873	-	137,745	-	Other current liabilities, others	2,079,592	8	2,338,091	9	1,895,867	6
Property, plant and equipment	4,383,100	17	4,222,057	16	3,810,736	13		<u>11,795,015</u>	<u>46</u>	<u>13,047,095</u>	<u>48</u>	<u>15,908,896</u>	<u>54</u>
Right-of-use assets	590,150	2	427,860	2	436,258	1	Non-current liabilities :						
Intangible assets	1,241,417	5	1,304,437	5	1,361,386	5	Bonds payable	496,540	2	-	-	-	-
Deferred tax assets	205,318	1	222,151	1	226,344	1	Non-current portion of non-current borrowings	-	-	-	-	26,000	-
Other non-current assets	440,272	2	396,898	1	439,018	2	Non-current lease liabilities	306,861	1	217,451	1	226,297	1
	<u>7,178,276</u>	<u>28</u>	<u>6,890,270</u>	<u>25</u>	<u>6,430,581</u>	<u>22</u>	Net defined benefit liability, non-current	103,996	-	145,642	-	194,804	1
							Other non-current liabilities	150,090	1	166,207	1	163,609	-
								<u>1,057,487</u>	<u>4</u>	<u>529,300</u>	<u>2</u>	<u>610,710</u>	<u>2</u>
							Total liabilities	<u>12,852,502</u>	<u>50</u>	<u>13,576,395</u>	<u>50</u>	<u>16,519,606</u>	<u>56</u>
							Equity :						
							Ordinary share	5,417,185	21	5,417,185	20	5,417,185	19
							Capital surplus	2,575,119	10	2,544,401	9	2,538,226	9
							Retained earnings :						
							Legal reserve	1,266,681	5	1,169,989	4	1,169,989	4
							Special reserve	226,548	1	447,091	2	447,091	2
							earnings	640,358	2	1,019,195	4	429,448	1
								<u>2,133,587</u>	<u>8</u>	<u>2,636,275</u>	<u>10</u>	<u>2,046,528</u>	<u>7</u>
							Other equity interest	(294,448)	(1)	(226,549)	(1)	(225,285)	(1)
							Total equity attributable to owners of parent	9,831,443	38	10,371,312	38	9,776,654	34
							Non-controlling interests	3,053,389	12	3,185,307	12	2,958,738	10
							Total equity	<u>12,884,832</u>	<u>50</u>	<u>13,556,619</u>	<u>50</u>	<u>12,735,392</u>	<u>44</u>
Total assets	<u>\$ 25,737,334</u>	<u>100</u>	<u>\$ 27,133,014</u>	<u>100</u>	<u>\$ 29,254,998</u>	<u>100</u>	Total liabilities and equity	<u>\$ 25,737,334</u>	<u>100</u>	<u>\$ 27,133,014</u>	<u>100</u>	<u>\$ 29,254,998</u>	<u>100</u>

ALPHA NETWORKS INC. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the three-month periods from April 1 to June 30, 2023 and 2022, and the six-month periods from January 1 to June 30, 2023 and 2022
(Expressed in thousands of New Taiwan dollars, except for earnings per share)

	2023/4/1-2023/6/30		2022/4/1-2022/6/30		2023/1/1-2023/6/30		2022/1/1-2022/6/30	
	Amount	%	Amount	%	Amount	%	Amount	%
Operating revenue	\$ 7,745,325	100	8,287,178	100	15,614,665	100	15,162,068	100
Operating costs	6,382,869	82	6,699,117	81	12,852,438	82	12,272,738	81
Gross profit from operations	1,362,456	18	1,588,061	19	2,762,227	18	2,889,330	19
Operating expenses :								
Selling expenses	355,862	5	324,304	4	654,828	4	629,125	4
Administrative expenses	273,434	4	352,423	4	588,586	4	664,075	4
Research and development expenses	493,370	6	463,388	6	956,558	6	880,796	6
Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	(40,238)	(1)	5,790	-	(31,083)	-	3,329	-
Total operating expenses	1,082,428	14	1,145,905	14	2,168,889	14	2,177,325	14
Net operating income (loss)	280,028	4	442,156	5	593,338	4	712,005	5
Non-operating income and expenses :								
Other income	21,888	-	13,376	-	41,724	-	20,835	-
Other gains and losses	6,686	-	(20,024)	-	(38,723)	-	(22,079)	-
Finance costs	(40,307)	-	(23,353)	-	(71,848)	-	(36,249)	-
Interest income	23,165	-	7,154	-	40,226	-	11,284	-
Total non-operating income and expenses	11,432	-	(22,847)	-	(28,621)	-	(26,209)	-
Profit (loss) before tax	291,460	4	419,309	5	564,717	4	685,796	5
Tax expenses	13,745	-	99,269	1	100,148	1	204,705	2
Profit (loss)	277,715	4	320,040	4	464,569	3	481,091	3
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	(55,353)	(1)	35,635	-	(51,143)	-	280,478	2
Other comprehensive income, net	(55,353)	(1)	35,635	-	(51,143)	-	280,782	2
Total comprehensive income	\$ 222,362	3	355,675	4	413,426	3	761,873	5
Profit (loss), attributable to:								
Profit (loss), attributable to owners of parent	\$ 238,917	3	243,013	3	412,816	3	376,838	2
Profit (loss), attributable to non-controlling interests	38,798	1	77,027	1	51,753	-	104,253	1

ALPHA NETWORKS INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
For the six-month periods from January 1 to June 30, 2023 and 2022
(Expressed in thousands of New Taiwan dollars)

	<u>2023/1/1~2023/6/30</u>	<u>2022/1/1~2022/6/30</u>
Cash flows from (used in) operating activities:		
Profit before tax	\$ 564,717	685,796
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expenses	284,858	237,864
Amortization expenses	110,139	103,169
Expected credit (gain) loss	(31,083)	3,329
Net gain on financial assets or liabilities at fair value through profit or loss	(419)	13,294
Interest expense	71,848	36,249
Interest income	(40,226)	(11,284)
(Gain) loss on disposal of property, plant and equipment	(203)	72
Provision for inventory obsolescence and devaluation loss	127,834	59,300
Total adjustments to reconcile profit (loss)	<u>522,748</u>	<u>441,993</u>
Changes in operating assets and liabilities:		
Notes and accounts receivable (including related parties)	538,176	(1,939,732)
Financial assets mandatorily at fair value through profit or loss	(9,972)	322
Inventories	1,823,788	(2,172,562)
Other current assets	17,433	(465,609)
Financial liabilities held for trading	14,349	(2,927)
Accounts payable (including related parties)	(1,832,541)	963,961
Other payable to related parties	4,908	(1,109)
Other current liabilities	(505,417)	196,857
Net defined benefit liability	(41,646)	(9,435)
Other non-current liabilities	(15,829)	-
Total changes in operating assets and liabilities	<u>(6,751)</u>	<u>(3,430,234)</u>
Total adjustments	<u>515,997</u>	<u>(2,988,241)</u>
Cash flows generated from (used in) operations	1,080,714	(2,302,445)
Interest received	39,833	12,733
Interest paid	(56,676)	(27,657)
Income taxes paid	(238,487)	(167,718)
Net cash flows used in operating activities	<u>825,384</u>	<u>(2,485,087)</u>
Cash flows from (used in) investing activities		
Proceeds from disposal of financial assets at fair value through profit or loss	56,146	-
Acquisition of financial assets at amortised cost	(240,000)	(399,940)
Proceeds from repayments of financial assets at amortised cost	220,000	744,967
Acquisition of property, plant and equipment	(413,881)	(287,430)
Proceeds from disposal of property, plant and equipment	4,939	3,188
Decrease (increase) in refundable deposits	4,542	(968)
Acquisition of intangible assets	(47,165)	(118,430)
Increase in other non-current assets	(40,844)	(212,419)
Net cash flows from (used in) investing activities	<u>(456,263)</u>	<u>(271,032)</u>
Cash flows from (used in) financing activities:		
Increase in short-term loans	7,992,153	17,345,146
Decrease in short-term loans	(8,103,212)	(14,739,096)
Proceeds from issuing bonds	631,884	-
Proceeds from long-term borrowings	-	26,000
Repayments of long-term borrowings	(26,000)	-
Increase in guarantee deposits received	312	980
Payments of lease liabilities	(22,597)	(16,094)
Due to donation assets received	16	13
Cash dividends paid distributed to non-controlling	-	(60,659)
Net cash flows from (used in) financing activities	<u>472,556</u>	<u>2,556,290</u>
Effect of exchange rate changes on cash and cash equivalents	<u>22,246</u>	<u>175,789</u>
Net decrease in cash and cash equivalents	863,923	(24,040)
Cash and cash equivalents at beginning of period	4,084,284	4,498,050
Cash and cash equivalents at end of period	<u>\$ 4,948,207</u>	<u>4,474,010</u>