

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

	2023/9/30		2022/12/31		2022/9/30			2023/9/30		2022/12/31		2022/9/30	
Assets	Amount	%	Amount	%	Amount	%	Liabilities and Equity	Amount	%	Amount	%	Amount	%
Current assets :							Current liabilities :						
Cash and cash equivalents	\$ 3,910,165	16	\$ 4,084,284	15	\$ 3,833,536	13	Current borrowings	\$ 2,957,502	12	\$ 3,936,093	14	\$ 5,634,432	19
Current financial assets at fair value through profit or loss	13,900	-	61,084	-	67,016	-	Current financial liabilities at fair value through profit or loss	19,332	-	9,836	-	35,554	-
Current financial assets at amortised cost	20,000	-	-	-	-	-	Accounts payable(including related parties)	4,000,847	16	5,031,113	19	5,359,509	19
Notes and accounts receivable, net (including related parties)	4,384,976	18	5,598,816	21	6,342,798	22	Accrued expenses	590,007	2	845,618	3	740,928	3
Inventories	8,035,970	33	9,424,252	35	10,919,606	38	Current tax liabilities	394,477	2	475,146	2	415,703	1
Other current assets	1,068,865	4	1,074,308	4	1,163,596	4	Current provisions	398,757	2	385,198	1	358,439	1
	<u>17,433,876</u>	<u>71</u>	<u>20,242,744</u>	<u>75</u>	<u>22,326,552</u>	<u>77</u>	Bonds payable, current portion	-	-	-	-	371,449	1
							Long-term borrowings, current portion	-	-	26,000	-	-	-
Non-current assets :							Other current liabilities, others	2,018,944	8	2,338,091	9	1,964,618	7
Non-current financial assets at fair value through other comprehensive income	171,994	1	171,994	-	19,094	-		<u>10,379,866</u>	<u>42</u>	<u>13,047,095</u>	<u>48</u>	<u>14,880,632</u>	<u>51</u>
Non-current financial assets at amortised cost	144,328	-	144,873	-	147,273	1	Non-current liabilities :						
Property, plant and equipment	4,363,260	18	4,222,057	16	3,909,406	13	Bonds payable	413,596	2	-	-	-	-
Right-of-use assets	590,926	2	427,860	2	440,661	1	Non-current portion of non-current borrowings	-	-	-	-	26,000	-
Intangible assets	1,203,546	5	1,304,437	5	1,321,546	5	Non-current lease liabilities	301,765	1	217,451	1	221,936	1
Deferred tax assets	230,806	1	222,151	1	291,827	1	Net defined benefit liability, non-current	104,131	-	145,642	-	194,978	1
Other non-current assets	527,124	2	396,898	1	499,576	2	Other non-current liabilities	141,530	1	166,207	1	195,074	1
	<u>7,231,984</u>	<u>29</u>	<u>6,890,270</u>	<u>25</u>	<u>6,629,383</u>	<u>23</u>		<u>961,022</u>	<u>4</u>	<u>529,300</u>	<u>2</u>	<u>637,988</u>	<u>3</u>
							Total liabilities	<u>11,340,888</u>	<u>46</u>	<u>13,576,395</u>	<u>50</u>	<u>15,518,620</u>	<u>54</u>
							Equity :						
							Ordinary share	5,417,185	22	5,417,185	20	5,417,185	19
							Capital surplus	2,582,329	10	2,544,401	9	2,544,420	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	1
							earnings	723,752	3	1,019,195	4	744,710	2
								<u>2,216,981</u>	<u>9</u>	<u>2,636,275</u>	<u>10</u>	<u>2,361,790</u>	<u>7</u>
							Other equity interest	(76,825)	0	(226,549)	(1)	(9,835)	0
							Total equity attributable to owners of parent	10,139,670	41	10,371,312	38	10,313,560	35
							Non-controlling interests	3,185,302	13	3,185,307	12	3,123,755	11
							Total equity	<u>13,324,972</u>	<u>54</u>	<u>13,556,619</u>	<u>50</u>	<u>13,437,315</u>	<u>46</u>
Total assets	<u>\$ 24,665,860</u>	<u>100</u>	<u>\$ 27,133,014</u>	<u>100</u>	<u>\$ 28,955,935</u>	<u>100</u>	Total liabilities and equity	<u>\$ 24,665,860</u>	<u>100</u>	<u>\$ 27,133,014</u>	<u>100</u>	<u>\$ 28,955,935</u>	<u>100</u>

ALPHA NETWORKS INC. AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income

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

	2023/7/1~2023/9/30		2022/7/1~2022/9/30		2023/1/1~2023/9/30		2022/1/1~2022/9/30	
	Amount	%	Amount	%	Amount	%	Amount	%
Operating revenue	\$ 5,861,401	100	9,230,870	100	21,476,066	100	24,392,938	100
Operating costs	4,674,810	80	7,635,078	83	17,527,248	82	19,907,816	82
Gross profit from operations	1,186,591	20	1,595,792	17	3,948,818	18	4,485,122	18
Operating expenses :								
Selling expenses	337,950	6	321,252	3	992,778	4	950,377	4
Administrative expenses	264,762	4	337,310	4	853,348	4	1,001,385	4
Research and development expenses	478,607	8	474,362	5	1,435,165	7	1,355,158	5
Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	423	-	(4,548)	-	(30,660)	-	(1,219)	-
Total operating expenses	1,081,742	18	1,128,376	12	3,250,631	15	3,305,701	13
Net operating income (loss)	104,849	2	467,416	5	698,187	3	1,179,421	5
Non-operating income and expenses :								
Other income	20,193	-	30,171	-	61,917	-	51,006	-
Other gains and losses	28,724	-	(13,199)	-	(9,999)	-	(35,278)	-
Finance costs	(47,028)	-	(39,331)	-	(118,876)	-	(75,580)	-
Interest income	16,275	-	6,911	-	56,501	-	18,195	-
Total non-operating income and expenses	18,164	-	(15,448)	-	(10,457)	-	(41,657)	-
Profit (loss) before tax	123,013	2	451,968	5	687,730	3	1,137,764	5
Tax expenses	48,394	1	93,544	1	148,542	-	298,249	1
Profit (loss)	74,619	1	358,424	4	539,188	3	839,515	4
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	267,253	5	285,667	3	216,110	1	566,145	2
Other comprehensive income, net	267,253	5	285,667	3	216,110	1	566,449	2
Total comprehensive income	\$ 341,872	6	644,091	7	755,298	4	1,405,964	6
Profit (loss), attributable to:								
Profit (loss), attributable to owners of parent	\$ 83,394	1	315,262	4	496,210	3	692,100	3
Profit (loss), attributable to non-controlling interests	(8,775)	-	43,162	-	42,978	-	147,415	1
	\$ 74,619	1	358,424	4	539,188	3	839,515	4
Comprehensive income attributable to:								
Comprehensive income, attributable to owners of parent	\$ 301,017	5	530,712	6	645,934	4	1,129,696	5
Comprehensive income, attributable to non-controlling interests	40,855	1	113,379	1	109,364	-	276,268	1
	\$ 341,872	6	644,091	7	755,298	4	1,405,964	6
Earnings per share(in New Taiwan dollars)								
Basic earnings per share	\$ 0.15		0.58		0.92		1.28	

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

	<u>2023/1/1~2023/9/30</u>	<u>2022/1/1~2022/9/30</u>
Cash flows from (used in) operating activities:		
Profit before tax	\$ 687,730	1,137,764
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expenses	425,371	358,544
Amortization expenses	163,856	157,014
Expected credit gain	(30,660)	(1,219)
Net loss on financial assets or liabilities at fair value through profit or loss	5,128	43,325
Interest expense	118,876	75,580
Interest income	(56,501)	(18,195)
Dividend income	(1,786)	(6,391)
Loss on disposal of property, plant and equipment	7,787	957
Provision for inventory obsolescence and devaluation loss	190,993	63,821
Loss on disposal of intangible assets	3,073	-
Total adjustments to reconcile profit (loss)	<u>826,137</u>	<u>673,436</u>
Changes in operating assets and liabilities:		
Notes and accounts receivable (including related parties)	1,284,381	(2,288,467)
Financial assets mandatorily at fair value through profit or loss	5,320	(7,222)
Inventories	1,245,784	(1,744,605)
Other current assets	11,026	(703,321)
Financial liabilities held for trading	(9,836)	(2,927)
Accounts payable (including related parties)	(1,038,538)	1,165,596
Other payable to related parties	(404)	6,334
Other current liabilities	(597,223)	460,969
Net defined benefit liability	(41,511)	(9,261)
Other non-current liabilities	(24,313)	-
Total changes in operating assets and liabilities	<u>834,686</u>	<u>(3,122,904)</u>
Total adjustments	<u>1,660,823</u>	<u>(2,449,468)</u>
Cash flows generated from (used in) operations	2,348,553	(1,311,704)
Interest received	55,269	18,986
Dividends received	1,786	6,391
Interest paid	(115,018)	(60,113)
Income taxes paid	(283,027)	(201,692)
Net cash flows used in operating activities	<u>2,007,563</u>	<u>(1,548,132)</u>
Cash flows from (used in) investing activities		
Proceeds from disposal of financial assets at fair value through profit or loss	56,025	-
Acquisition of financial assets at amortised cost	(240,000)	(399,940)
Proceeds from repayments of financial assets at amortised cost	220,000	774,947
Acquisition of property, plant and equipment	(500,436)	(422,528)
Proceeds from disposal of property, plant and equipment	50,373	6,292
Decrease (increase) in refundable deposits	8,564	(10,404)
Acquisition of intangible assets	(65,379)	(132,247)
Increase in other non-current assets	(114,146)	(276,748)
Net cash flows from (used in) investing activities	<u>(584,999)</u>	<u>(460,628)</u>
Cash flows from (used in) financing activities:		
Increase in short-term loans	12,716,198	29,868,493
Decrease in short-term loans	(13,783,747)	(28,279,013)
Proceeds from issuing bonds	631,884	-
Proceeds from long-term borrowings	-	26,000
Repayments of long-term borrowings	(26,000)	-
Decrease in guarantee deposits received	(133)	(2,977)
Payments of lease liabilities	(27,910)	(24,511)
Cash dividends paid	(915,504)	(433,375)
Due to donation assets received	16	13
Cash dividends paid distributed to non-controlling	(296,382)	(189,021)
Net cash flows from (used in) financing activities	<u>(1,701,578)</u>	<u>965,609</u>
Effect of exchange rate changes on cash and cash equivalents	<u>104,895</u>	<u>378,637</u>
Net decrease in cash and cash equivalents	<u>(174,119)</u>	<u>(664,514)</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><u>\$ 3,910,165</u></u>	<u><u>3,833,536</u></u>