

ALPHA NETWORKS INC. AND SUBSIDIARIES
Consolidated Balance Sheet
March 31, 2025, December 31 and March 31, 2024
(Expressed in thousands of New Taiwan dollars)

	2024/3/31		2023/12/31		2023/3/31	
Assets	Amount	%	Amount	%	Amount	%
Current assets :						
Cash and cash equivalents	\$ 5,253,899	22	\$ 3,957,279	17	\$ 5,273,936	21
Current financial assets at fair value through profit or loss	5,523	-	5,192	-	9,052	-
Current financial assets at amortised cost	12,982	-	73,355	-	-	-
Notes and accounts receivable, net	2,916,117	13	3,969,144	17	4,136,036	17
Accounts receivable due from related parties, net	-	-	1,568	-	97	-
Inventories	7,077,930	30	6,929,471	30	7,312,242	30
Non-current assets or disposal groups classified as held for sale	-	-	-	-	114,837	-
Other current assets	647,798	3	767,495	4	779,365	3
	<u>15,914,249</u>	<u>68</u>	<u>15,703,504</u>	<u>68</u>	<u>17,625,565</u>	<u>71</u>
Non-current assets :						
Non-current financial assets at fair value through profit or loss	86,231	-	52,620	-	-	-
Non-current financial assets at fair value through other comprehensive income	114,138	1	110,711	-	191,331	-
Non-current financial assets at amortised cost	188,264	1	214,057	1	168,106	-
Property, plant and equipment	4,503,672	19	4,565,191	20	4,266,458	17
Right-of-use assets	672,054	3	650,114	3	654,702	3
Intangible assets	1,624,097	7	1,672,821	7	1,152,823	5
Deferred tax assets	228,604	1	234,268	1	500,301	2
Other non-current assets, others	46,604	-	41,230	-	367,122	2
	<u>7,463,664</u>	<u>32</u>	<u>7,541,012</u>	<u>32</u>	<u>7,300,843</u>	<u>29</u>
Total assets	\$ 23,377,913	100	\$ 23,244,516	100	\$ 24,926,408	100

	2024/3/31		2023/12/31		2023/3/31	
Liabilities and Equity	Amount	%	Amount	%	Amount	%
Current liabilities :						
Current borrowings	\$ 2,261,890	10	\$ 1,615,357	7	\$ 3,025,470	12
Current financial liabilities at fair value through profit or loss	17,975	-	23,758	-	23,664	-
Current contract liabilities	1,136,814	5	1,339,841	5	1,109,343	4
Accounts payable(including related parties)	3,632,756	15	3,460,727	15	3,417,041	14
Accrued expenses	406,901	2	549,804	2	398,043	2
Dividends payable, non-cash assets distributions	727,302	3	-	-	743,260	3
Current tax liabilities	153,828	1	187,745	1	401,330	2
Current provisions	220,720	1	231,771	1	311,498	1
Long-term borrowings, current portion	80,000	-	80,000	-	-	-
Other current liabilities, others	596,750	2	850,904	5	910,362	4
	<u>9,234,936</u>	<u>39</u>	<u>8,339,907</u>	<u>36</u>	<u>10,340,011</u>	<u>42</u>
Non-current liabilities :						
Bonds payable	-	-	-	-	167,765	-
Non-current portion of non-current borrowings	369,184	2	375,000	2	705,000	3
Non-current lease liabilities	300,808	1	287,479	1	291,318	1
Net defined benefit liability, non-current	53,414	-	55,398	-	84,913	-
Other non-current liabilities	166,856	1	204,031	1	344,141	2
	<u>890,262</u>	<u>4</u>	<u>921,908</u>	<u>4</u>	<u>1,593,137</u>	<u>6</u>
Total liabilities	10,125,198	43	9,261,815	40	11,933,148	48
Equity :						
Ordinary share	5,417,185	23	5,417,185	23	5,417,185	22
Capital surplus	2,346,582	10	2,614,277	11	2,605,072	10
Retained earnings :						
Legal reserve	1,321,375	6	1,321,375	6	1,266,681	5
Special reserve	267,982	1	267,982	1	226,548	1
earnings	5,390	-	382,082	1	294,261	1
	<u>1,594,747</u>	<u>7</u>	<u>1,971,439</u>	<u>8</u>	<u>1,787,490</u>	<u>7</u>
Other equity interest	(7,714)	-	(87,993)	-	(83,800)	-
	<u>9,350,800</u>	<u>40</u>	<u>9,914,908</u>	<u>42</u>	<u>9,725,947</u>	<u>39</u>
Total equity attributable to owners of parent	3,901,915	17	4,067,793	18	3,267,313	13
Non-controlling interests	13,252,715	57	13,982,701	60	12,993,260	52
Total equity	\$ 23,377,913	100	\$ 23,244,516	100	\$ 24,926,408	100
Total liabilities and equity	\$ 23,377,913	100	\$ 23,244,516	100	\$ 24,926,408	100

ALPHA NETWORKS INC. AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
For the three-month periods from January 1 to March 31, 2025 and 2024
(Expressed in thousands of New Taiwan dollars, except for earnings per share)

	2025/1/1~2025/3/31		2024/1/1~2024/3/31	
	Amount	%	Amount	%
Operating revenue	\$ 4,524,158	100	5,180,200	100
Operating costs	3,693,754	82	4,172,315	81
Gross profit from operations	830,404	18	1,007,885	19
Operating expenses :				
Selling expenses	267,479	6	260,991	5
Administrative expenses	233,481	5	242,692	4
Research and development expenses	438,217	10	398,475	8
Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	(56)	-	8,674	-
Total operating expenses	939,121	21	910,832	17
Net operating income (loss)	(108,717)	(3)	97,053	2
Non-operating income and expenses :				
Other income	24,948	1	33,771	1
Other gains and losses	(40,286)	(1)	(7,931)	-
Finance costs	(28,640)	-	(32,771)	(1)
Interest income	21,186	-	12,878	-
Total non-operating income and expenses	(22,792)	-	5,947	-
Profit (loss) before tax	(131,509)	(3)	103,000	2
Tax expenses	(23,716)	(1)	23,241	-
Profit (loss)	(107,793)	(2)	79,759	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	413	-	648	-
Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	3,427	-	-	-
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	(83)	-	-	-
Components of other comprehensive income that will not be reclassified to profit or loss	3,757	-	648	-
Components of other comprehensive income that will be reclassified to profit or loss				
Exchange differences on translation	91,669	2	228,066	4
Total Components of other comprehensive income that will be reclassified to profit or loss	91,669	2	228,066	4
Other comprehensive income, net	95,426	2	228,714	4
Total comprehensive income	\$ (12,367)	-	308,473	6
Profit (loss), attributable to:				
Profit (loss), attributable to owners of parent	\$ (106,038)	(2)	66,508	2
Profit (loss), attributable to non-controlling interests	(1,755)	-	13,251	-
	\$ (107,793)	(2)	79,759	2
Comprehensive income attributable to:				
Comprehensive income, attributable to owners of parent	\$ (25,554)	-	251,094	5
Comprehensive income, attributable to non-controlling interests	13,187	-	57,379	1
	\$ (12,367)	-	308,473	6
Earnings per share(in New Taiwan dollars)				
Basic earnings per share	\$ (0.20)		0.12	
Diluted earnings per share	\$ (0.20)		0.12	

ALPHA NETWORKS INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
For the three-month periods from January 1 to March 31, 2025 and 2024
(Expressed in thousands of New Taiwan dollars)

	<u>2024/1/1~2024/3/31</u>	<u>2023/1/1~2023/3/31</u>
Cash flows from (used in) operating activities:		
Profit before tax	\$ (131,509)	103,000
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expenses	136,748	130,238
Amortization expenses	61,688	53,556
Expected credit loss (gain)	(56)	8,674
Net loss on financial assets or liabilities at fair value through loss	32,875	20,640
Interest expense	28,640	32,771
Interest income	(21,186)	(12,878)
Loss (gain) on disposal of property, plant and equipment	(3,792)	575
Provision for inventory obsolescence and devaluation loss	(241)	50,382
Total adjustments to reconcile profit (loss)	<u>234,676</u>	<u>283,958</u>
Changes in operating assets and liabilities:		
Notes and accounts receivable (including related parties)	1,064,709	807,329
Financial assets mandatorily at fair value through profit or loss	290	30,309
Inventories	(98,861)	187,055
Other current assets	119,687	(29,982)
Decrease in other financial liabilities	(23,758)	(778)
Accounts payable (including related parties)	127,617	(878,885)
Other payable to related parties	2,615	7,977
Other current liabilities	(639,418)	(523,251)
Net defined benefit liability	(1,654)	(19,682)
Other non-current liabilities	(15,241)	(1,449)
Total changes in operating assets and liabilities	<u>535,986</u>	<u>(421,357)</u>
Total adjustments	<u>770,662</u>	<u>(137,399)</u>
Cash flows generated from (used in) operations	639,153	(34,399)
Interest received	21,366	12,980
Interest paid	(28,255)	(21,428)
Income taxes paid	(17,171)	(2,908)
Net cash flows used in operating activities	<u>615,093</u>	<u>(45,755)</u>
Cash flows from (used in) investing activities		
Proceeds from repayments of financial assets at amortised cost	60,373	41,000
Acquisition of financial asset at fair value through profit or loss	(49,131)	-
Acquisition of property, plant and equipment	(34,313)	(31,703)
Proceeds from disposal of property, plant and equipment	8,787	-
Decrease (increase) in refundable deposits	20,058	(15,044)
Acquisition of intangible assets	(12,870)	(20,481)
Decrease in other non-current assets	6,101	9,390
Other investing activities	-	(19,189)
Net cash flows from (used in) investing activities	<u>(995)</u>	<u>(36,027)</u>
Cash flows from (used in) financing activities:		
Increase in short-term loans	2,205,223	3,406,548
Decrease in short-term loans	(1,581,596)	(1,330,495)
Proceeds from long-term borrowings	-	5,000
Repayments of long-term borrowings	(5,816)	-
Decrease in guarantee deposits received	(95)	(124)
Payments of lease liabilities	(15,546)	(9,007)
Due to donation assets received	11	10
Net cash flows from (used in) financing activities	<u>602,181</u>	<u>2,071,932</u>
Effect of exchange rate changes on cash and cash equivalents	<u>80,341</u>	<u>83,111</u>
Net decrease in cash and cash equivalents	1,296,620	2,073,261
Cash and cash equivalents at beginning of period	3,957,279	3,200,675
Cash and cash equivalents at end of period	<u><u>\$ 5,253,899</u></u>	<u><u>5,273,936</u></u>