

**ALPHA NETWORKS INC. AND SUBSIDIARIES**  
**Consolidated Balance Sheet**  
**June 30, 2013` December 31, 2012` June 30, 2012 and January 1, 2012**  
(in thousands of New Taiwan dollars)

Assets	2013/6/30		2012/12/31		2012/6/30		2012/1/1	
	Amount	%	Amount	%	Amount	%	Amount	%
<b>Current assets :</b>								
Cash and cash equivalents	\$ 2,622,123	15	\$ 2,002,758	12	\$ 2,635,104	14	\$ 3,266,754	16
Financial assets at fair value through profit or loss - current	12,851	-	12,929	-	6,169	-	10,901	-
Notes and accounts receivable, net	2,335,483	14	3,561,852	21	2,888,077	15	3,945,596	20
Receivables from related parties	2,852,935	17	2,303,383	14	3,302,847	17	3,373,778	17
Inventories	3,531,662	21	3,625,215	22	4,895,501	26	4,787,314	24
Other financial assets - current	269,998	2	373,141	2	712,524	4	162,040	1
Other current assets	653,840	4	542,646	3	378,920	2	320,036	1
	<u>12,278,892</u>	<u>73</u>	<u>12,421,924</u>	<u>74</u>	<u>14,819,142</u>	<u>78</u>	<u>15,866,419</u>	<u>79</u>
<b>Non-current assets :</b>								
Available-for-sale financial assets - noncurrent	180,828	1	180,828	1	187,726	1	201,522	1
Financial assets carried at cost - noncurrent	9,996	-	9,996	-	9,996	-	9,996	-
Long-term investments	78,305	-	-	-	-	-	-	-
Property, plant and equipment	3,489,339	21	3,567,708	21	3,504,287	18	3,428,599	17
Intangible assets	227,649	1	246,264	2	260,316	1	250,141	1
Deferred tax assets	94,635	-	94,635	1	40,313	-	119,447	1
Prepaid long-term investments	-	-	78,305	-	-	-	-	-
Other financial assets - noncurrent	485,512	3	33,786	-	35,061	-	36,984	-
Long-term prepaid rent	111,886	1	107,895	1	110,166	1	114,020	1
Other non-current assets	18,894	-	33,488	-	95,777	1	58,523	-
	<u>4,697,044</u>	<u>27</u>	<u>4,352,905</u>	<u>26</u>	<u>4,243,642</u>	<u>22</u>	<u>4,219,232</u>	<u>21</u>
<b>Total assets</b>	<b>\$ 16,975,936</b>	<b>100</b>	<b>\$ 16,774,829</b>	<b>100</b>	<b>\$ 19,062,784</b>	<b>100</b>	<b>\$ 20,085,651</b>	<b>100</b>

Liabilities and Stockholders' Equity	2013/6/30		2012/12/31		2012/6/30		2012/1/1	
	Amount	%	Amount	%	Amount	%	Amount	%
<b>Current liabilities :</b>								
Short-term borrowings	\$ 456,286	3	\$ 775,806	5	\$ 1,374,432	7	\$ 1,299,455	6
Financial liabilities at fair value through profit or loss - current	11,778	-	1,922	-	39,191	-	12,844	-
Accounts payable	3,908,510	23	3,978,703	24	4,562,147	24	6,202,891	31
Payable to related parties	7,481	-	20,039	-	12,355	-	24,221	-
Income tax payable	59,547	-	124,446	1	83,360	-	128,402	1
Accrued expenses	957,843	5	896,333	5	1,081,554	6	1,312,115	6
Provisions-current	233,258	1	246,685	1	256,745	1	267,115	1
Dividends payable	555,692	3	-	-	690,725	4	-	-
Other current liabilities	314,526	2	215,090	1	318,383	2	176,886	1
	<u>6,504,921</u>	<u>37</u>	<u>6,259,024</u>	<u>37</u>	<u>8,418,892</u>	<u>44</u>	<u>9,423,929</u>	<u>46</u>
<b>Non-current liabilities :</b>								
Financial liabilities at fair value through profit or loss - noncurrent	500	-	964	-	489	-	3,385	-
Bonds payable	178,729	1	177,081	1	177,809	1	844,453	4
Long-term loans	603,548	4	293,007	2	297,302	2	-	-
Deferred income tax liabilities	65,273	-	65,969	-	66,464	-	81,021	-
Accrued pension liabilities	496,869	3	484,866	3	394,180	2	384,060	2
Miscellaneous liabilities - other	400	-	382	-	788	-	648	-
	<u>1,345,319</u>	<u>8</u>	<u>1,022,269</u>	<u>6</u>	<u>937,032</u>	<u>5</u>	<u>1,313,567</u>	<u>6</u>
<b>Total liabilities</b>	<b>7,850,240</b>	<b>45</b>	<b>7,281,293</b>	<b>43</b>	<b>9,355,924</b>	<b>49</b>	<b>10,737,496</b>	<b>52</b>
<b>Stockholders' equity :</b>								
Common stock	4,917,520	29	5,136,764	31	5,162,358	27	4,756,784	24
Advance receipts for common	206	-	1,546	-	11,344	-	28,883	-
	<u>4,917,726</u>	<u>29</u>	<u>5,138,310</u>	<u>31</u>	<u>5,173,702</u>	<u>27</u>	<u>4,785,667</u>	<u>24</u>
Capital surplus	2,151,121	13	2,237,319	13	2,263,334	12	1,929,425	10
Retained earnings :								
Legal reserve	860,001	5	788,389	5	788,389	4	693,341	4
Special reserve	156,201	1	65,322	-	65,322	-	102,505	1
Unappropriated earnings	1,383,941	8	1,954,547	12	1,713,829	10	2,068,256	10
	<u>2,400,143</u>	<u>14</u>	<u>2,808,258</u>	<u>17</u>	<u>2,567,540</u>	<u>14</u>	<u>2,864,102</u>	<u>15</u>
Others	(201,968)	(1)	(321,862)	(2)	(286,914)	(2)	(230,984)	(1)
Treasury stock	(141,326)	-	(368,489)	(2)	(9,786)	-	-	-
Non-controlling interest	-	-	-	-	(1,016)	-	(55)	-
	<u>9,125,696</u>	<u>55</u>	<u>9,493,536</u>	<u>57</u>	<u>9,706,860</u>	<u>51</u>	<u>9,348,155</u>	<u>48</u>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 16,975,936</b>	<b>100</b>	<b>\$ 16,774,829</b>	<b>100</b>	<b>\$ 19,062,784</b>	<b>100</b>	<b>\$ 20,085,651</b>	<b>100</b>

ALPHA NETWORKS INC. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

Years ended June 30, 2013 and 2012  
(in thousands of New Taiwan dollars, except for net income per common share)

	2013/4/1~2013/6/30		2012/4/1~2012/6/30		2013/1/1~2013/6/30		2012/1/1~2012/6/30	
	Amount	%	Amount	%	Amount	%	Amount	%
<b>Sales revenue</b>	\$ 6,075,095	100	\$ 6,838,291	100	\$ 10,924,369	100	\$ 13,160,591	100
<b>Cost of goods sold</b>	5,164,347	85	5,763,476	84	9,251,250	85	11,090,197	84
<b>Gross Profit</b>	910,748	15	1,074,815	16	1,673,119	15	2,070,394	16
<b>Operating expenses :</b>								
Selling	139,229	2	145,242	2	273,964	3	314,552	3
General and administrative	229,233	4	179,585	3	437,295	4	401,045	3
Research and development	376,714	7	355,467	5	738,797	7	721,036	6
	745,176	13	680,294	10	1,450,056	14	1,436,633	12
<b>Operating income</b>	165,572	2	394,521	6	223,063	1	633,761	4
<b>Non-operating income and expenses :</b>								
Other income and expenses	22,178	-	(8,858)	-	33,123	-	(2,824)	-
Other gains and losses	46,241	1	31,195	-	63,775	1	(26,065)	-
Finance costs	(13,308)	-	(16,950)	-	(26,587)	-	(35,634)	-
	55,111	1	5,387	-	70,311	1	(64,523)	-
<b>Income before income taxes</b>	220,683	3	399,908	6	293,374	2	569,238	4
<b>Income tax expenses</b>	19,475	-	141,750	2	43,885	-	176,036	1
<b>Net income</b>	201,208	3	258,158	4	249,489	2	393,202	3
<b>Other comprehensive income:</b>								
Foreign currency translation differences - foreign operations	41,611	1	14,068	-	119,894	1	(50,764)	-
Unrealized gain or loss on available-for-sale financial assets	6,898	-	(28,577)	-	-	-	(13,796)	-
Tax on other comprehensive income	-	-	(2,391)	-	-	-	8,630	-
<b>Net other comprehensive income</b>	48,509	1	(16,900)	-	119,894	1	(55,930)	-
<b>Comprehensive income</b>	<b>\$ 249,717</b>	<b>4</b>	<b>\$ 241,258</b>	<b>4</b>	<b>\$ 369,383</b>	<b>3</b>	<b>\$ 337,272</b>	<b>3</b>
<b>Net Income attributable to:</b>								
Equity holders of the parent company	201,208	3	258,517	4	249,489	2	394,163	3
Non-controlling interest	-	-	(359)	-	-	-	(961)	-
	<b>\$ 201,208</b>	<b>3</b>	<b>258,158</b>	<b>4</b>	<b>\$ 249,489</b>	<b>2</b>	<b>393,202</b>	<b>3</b>
<b>Comprehensive Income attributable to:</b>								
Equity holders of the parent company	249,717	4	241,617	4	369,383	3	338,233	3
Non-controlling interest	-	-	(359)	-	-	-	(961)	-
	<b>\$ 249,717</b>	<b>4</b>	<b>241,258</b>	<b>4</b>	<b>\$ 369,383</b>	<b>3</b>	<b>337,272</b>	<b>3</b>
<b>Earnings per share(in New Taiwan dollars)</b>								
Basic earnings per share	\$ 0.41		\$ 0.50		\$ 0.51		\$ 0.77	
Diluted earnings per share	\$ 0.40		\$ 0.48		\$ 0.50		\$ 0.74	