

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

Assets	2013/9/30		2012/12/31		2012/9/30		2012/1/1	
	Amount	%	Amount	%	Amount	%	Amount	%
Current assets :								
Cash and cash equivalents	\$ 2,130,680	13	\$ 2,002,758	12	\$ 1,701,981	9	\$ 3,266,754	16
Financial assets at fair value through profit or loss - current	41,316	-	12,929	-	65,257	-	10,901	-
Notes and accounts receivable, net	2,746,930	16	3,561,852	21	4,325,410	23	3,945,596	20
Receivables from related parties	2,734,812	16	2,303,383	14	2,643,662	14	3,373,778	17
Inventories	3,885,718	23	3,625,215	22	4,823,233	25	4,787,314	24
Other financial assets - current	138,676	1	373,141	2	752,546	4	162,040	1
Other current assets	821,319	5	542,646	3	493,468	3	320,036	1
	<u>12,499,451</u>	<u>74</u>	<u>12,421,924</u>	<u>74</u>	<u>14,805,557</u>	<u>78</u>	<u>15,866,419</u>	<u>79</u>
Non-current assets :								
Available-for-sale financial assets - noncurrent	164,000	1	180,828	1	176,393	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	3,476,121	20	3,567,708	21	3,531,725	18	3,428,599	17
Intangible assets	216,065	1	246,264	2	249,073	1	250,141	1
Deferred tax assets	94,635	1	94,635	1	34,979	-	119,447	1
Prepaid long-term investments	-	-	78,305	-	-	-	-	-
Other financial assets - noncurrent	288,361	2	33,786	-	34,090	-	36,984	-
Long-term prepaid rent	110,245	1	107,895	1	108,743	1	114,020	1
Other non-current assets	20,595	-	33,488	-	169,123	1	58,523	-
	<u>4,458,323</u>	<u>26</u>	<u>4,352,905</u>	<u>26</u>	<u>4,314,122</u>	<u>22</u>	<u>4,219,232</u>	<u>21</u>
Total assets	<u>\$ 16,957,774</u>	<u>100</u>	<u>\$ 16,774,829</u>	<u>100</u>	<u>\$ 19,119,679</u>	<u>100</u>	<u>\$ 20,085,651</u>	<u>100</u>

Liabilities and Stockholders' Equity	2013/9/30		2012/12/31		2012/9/30		2012/1/1	
	Amount	%	Amount	%	Amount	%	Amount	%
Current liabilities :								
Short-term borrowings	\$ 502,130	3	\$ 775,806	5	\$ 1,328,000	7	\$ 1,299,455	6
Financial liabilities at fair value through profit or loss - current	2,783	-	1,922	-	650	-	12,844	-
Accounts payable	4,145,027	24	3,978,703	24	5,555,457	29	6,202,891	31
Payable to related parties	9,513	-	20,039	-	7,814	-	24,221	-
Income tax payable	62,215	-	124,446	1	85,454	-	128,402	1
Accrued expenses	1,015,757	6	896,333	5	1,022,505	5	1,312,115	6
Provisions-current	232,875	1	246,685	1	258,555	1	267,115	1
Other current liabilities	360,596	2	215,090	1	190,233	1	176,886	1
Long-term liabilities - current	179,745	1	-	-	-	-	-	-
	<u>6,510,641</u>	<u>37</u>	<u>6,259,024</u>	<u>37</u>	<u>8,448,668</u>	<u>43</u>	<u>9,423,929</u>	<u>46</u>
Non-current liabilities :								
Financial liabilities at fair value through profit or loss - noncurrent	-	-	964	-	430	-	3,385	-
Bonds payable	-	-	177,081	1	178,820	1	844,453	4
Long-term loans	595,016	4	293,007	2	295,643	2	-	-
Deferred income tax liabilities	66,302	-	65,969	-	34,324	-	81,021	-
Accrued pension liabilities	502,869	3	484,866	3	393,355	2	384,060	2
Miscellaneous liabilities - other	514	-	382	-	382	-	648	-
	<u>1,164,701</u>	<u>7</u>	<u>1,022,269</u>	<u>6</u>	<u>902,954</u>	<u>5</u>	<u>1,313,567</u>	<u>6</u>
Total liabilities	<u>7,675,342</u>	<u>44</u>	<u>7,281,293</u>	<u>43</u>	<u>9,351,622</u>	<u>48</u>	<u>10,737,496</u>	<u>52</u>
Stockholders' equity :								
Common stock	4,917,727	29	5,136,764	31	5,169,474	28	4,756,784	24
Advance receipts for common	-	-	1,546	-	1,045	-	28,883	-
	<u>4,917,727</u>	<u>29</u>	<u>5,138,310</u>	<u>31</u>	<u>5,170,519</u>	<u>28</u>	<u>4,785,667</u>	<u>24</u>
Capital surplus	2,151,121	13	2,237,319	13	2,267,562	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	1,625,175	10	1,954,547	12	1,864,473	10	2,068,256	10
	<u>2,641,377</u>	<u>16</u>	<u>2,808,258</u>	<u>17</u>	<u>2,718,184</u>	<u>14</u>	<u>2,864,102</u>	<u>15</u>
Others	(245,120)	(1)	(321,862)	(2)	(317,639)	(2)	(230,984)	(1)
Treasury stock	(182,673)	(1)	(368,489)	(2)	(70,569)	-	-	-
Non-controlling interest	-	-	-	-	-	-	(55)	-
Total stockholders' equity	<u>9,282,432</u>	<u>56</u>	<u>9,493,536</u>	<u>57</u>	<u>9,768,057</u>	<u>52</u>	<u>9,348,155</u>	<u>48</u>
Total liabilities and stockholders' equity	<u>\$ 16,957,774</u>	<u>100</u>	<u>\$ 16,774,829</u>	<u>100</u>	<u>\$ 19,119,679</u>	<u>100</u>	<u>\$ 20,085,651</u>	<u>100</u>

ALPHA NETWORKS INC. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

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

	2013/7/1~2013/9/30		2012/7/1~2012/9/30		2013/1/1~2013/9/30		2012/1/1~2012/9/30	
	Amount	%	Amount	%	Amount	%	Amount	%
Sales revenue	\$ 6,369,945	100	\$ 6,210,736	100	\$ 17,294,314	100	\$ 19,371,327	100
Cost of goods sold	5,332,528	84	5,279,190	85	14,583,778	84	16,369,387	85
Gross Profit	1,037,417	16	931,546	15	2,710,536	16	3,001,940	15
Operating expenses :								
Selling	136,847	2	146,503	3	410,811	2	461,055	2
General and administrative	226,268	4	180,188	3	663,563	5	581,233	3
Research and development	368,972	6	393,471	6	1,107,769	6	1,114,507	6
	732,087	12	720,162	12	2,182,143	13	2,156,795	11
Operating income	305,330	4	211,384	3	528,393	3	845,145	4
Non-operating income and expenses :								
Other income and expenses	18,330	-	36,330	1	51,453	-	33,506	-
Other gains and losses	3,260	-	(55,688)	(2)	67,035	-	(81,753)	-
Finance costs	(3,888)	-	(16,110)	-	(30,475)	-	(51,744)	-
	17,702	-	(35,468)	(1)	88,013	-	(99,991)	-
Income before income taxes	323,032	4	175,916	2	616,406	3	745,154	4
Income tax expenses	81,798	1	24,256	-	125,683	1	200,292	1
Net income	241,234	3	151,660	2	490,723	2	544,862	3
Other comprehensive income:								
Foreign currency translation differences - foreign operations	(25,240)	-	(23,364)	-	94,654	1	(74,128)	-
Unrealized gain or loss on available-for-sale financial assets	(17,912)	-	(11,333)	-	(17,912)	-	(25,129)	-
Tax on other comprehensive income	-	-	3,972	-	-	-	12,602	-
Net other comprehensive income	(43,152)	-	(30,725)	-	76,742	1	(86,655)	-
Comprehensive income	<u>\$ 198,082</u>	<u>3</u>	<u>\$ 120,935</u>	<u>2</u>	<u>\$ 567,465</u>	<u>3</u>	<u>\$ 458,207</u>	<u>3</u>
Net Income attributable to:								
Equity holders of the parent company	241,234	3	150,644	2	490,723	2	544,807	3
Non-controlling interest	-	-	1,016	-	-	-	55	-
	<u>\$ 241,234</u>	<u>3</u>	<u>\$ 151,660</u>	<u>2</u>	<u>\$ 490,723</u>	<u>2</u>	<u>\$ 544,862</u>	<u>3</u>
Comprehensive Income attributable to:								
Equity holders of the parent company	198,082	3	119,919	2	567,465	3	458,152	3
Non-controlling interest	-	-	1,016	-	-	-	55	-
	<u>\$ 198,082</u>	<u>3</u>	<u>\$ 120,935</u>	<u>2</u>	<u>\$ 567,465</u>	<u>3</u>	<u>\$ 458,207</u>	<u>3</u>
Earning per share(in New Taiwan dollars)								
Basic earnings per share	\$ 0.50		\$ 0.29		\$ 1.01		\$ 1.07	
Diluted earnings per share	\$ 0.49		\$ 0.29		\$ 0.98		\$ 1.03	