

ALPHA NETWORKS INC. AND SUBSIDIARIES
Consolidated Balance Sheet
June 30, 2014¹ December 31, 2013 and June 30, 2013
(in thousands of New Taiwan dollars)

Assets	2014/6/30		2013/12/31		2013/6/30		Liabilities and Stockholders' Equity	2014/6/30		2013/12/31		2013/6/30	
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%
Current assets :							Current liabilities :						
Cash and cash equivalents	\$ 1,521,640	8	\$ 1,542,704	9	\$ 2,622,123	15	Short-term borrowings	\$ 2,135,823	11	\$ 597,898	3	\$ 456,286	3
Financial assets at fair value through profit or loss - current	28,586	-	9,285	-	12,851	-	Financial liabilities at fair value through profit or loss - current	12,985	-	51,487	-	11,778	-
Notes and accounts receivable, net	2,741,032	15	3,318,715	20	2,335,483	14	Accounts payable	3,938,293	21	4,765,967	28	4,005,991	24
Receivables from related parties	2,513,811	14	2,575,087	14	2,852,935	17	Accrued expenses	1,046,890	6	1,095,369	6	1,089,679	6
Inventories	4,518,507	25	4,394,209	24	3,531,662	21	Payable to related parties	7,858	-	13,218	-	7,481	-
Other financial assets - current	2,142,763	12	799,325	5	719,254	4	Income tax payable	38,601	-	42,577	-	59,547	-
Other current assets	944,240	5	1,074,865	6	650,259	4	Provisions-current	237,715	1	235,346	1	233,258	1
	<u>14,410,579</u>	<u>79</u>	<u>13,714,190</u>	<u>78</u>	<u>12,724,567</u>	<u>75</u>	Dividends payable	663,265	4	-	-	555,692	3
Non-current assets :							Other current liabilities	89,504	-	137,169	1	85,209	1
Available-for-sale financial assets - noncurrent	197,212	1	179,668	1	180,828	1	Long-term liabilities - current portion	296,214	2	136,797	1	-	-
Financial assets carried at cost - noncurrent	9,996	-	9,996	-	9,996	-		<u>8,467,148</u>	<u>45</u>	<u>7,075,828</u>	<u>40</u>	<u>6,504,921</u>	<u>38</u>
Long-term investments	112,965	1	124,965	1	78,305	-	Non-current liabilities :						
Property, plant and equipment	3,252,687	18	3,479,772	19	3,489,339	21	Financial liabilities at fair value through profit or loss - noncurrent	-	-	-	-	500	-
Intangible assets	217,964	1	220,966	1	227,649	1	Bonds payable	-	-	-	-	178,729	1
Deferred tax assets	52,040	-	52,399	-	94,635	1	Long-term loans	296,214	2	601,770	3	603,548	4
Other financial assets - noncurrent	60,370	-	56,022	-	36,256	-	Deferred income tax liabilities	114,448	1	114,448	1	65,273	-
Long-term prepaid rent	76,445	-	79,165	-	111,886	1	Accrued pension liabilities	371,085	2	359,210	2	496,869	3
Other non-current assets	70,575	-	21,636	-	22,475	-	Miscellaneous liabilities - other	704	-	523	-	400	-
	<u>4,050,254</u>	<u>21</u>	<u>4,224,589</u>	<u>22</u>	<u>4,251,369</u>	<u>25</u>		<u>782,451</u>	<u>5</u>	<u>1,075,951</u>	<u>6</u>	<u>1,345,319</u>	<u>8</u>
							Total liabilities	<u>9,249,599</u>	<u>50</u>	<u>8,151,779</u>	<u>46</u>	<u>7,850,240</u>	<u>46</u>
							Stockholders' equity :						
							Common stock	4,971,271	27	4,917,727	27	4,917,520	29
							Advance receipts for common	-	-	25,714	-	206	-
								<u>4,971,271</u>	<u>27</u>	<u>4,943,441</u>	<u>27</u>	<u>4,917,726</u>	<u>29</u>
							Capital surplus	2,205,729	12	2,169,424	12	2,151,121	13
							Retained earnings :						
							Legal reserve	937,953	5	860,001	5	860,001	5
							Special reserve	196,722	1	156,201	1	156,201	1
							Unappropriated earnings	1,344,868	7	2,037,327	11	1,383,941	8
								<u>2,479,543</u>	<u>13</u>	<u>3,053,529</u>	<u>17</u>	<u>2,400,143</u>	<u>14</u>
							Others	(262,637)	(1)	(196,722)	(1)	(201,968)	(1)
							Treasury stock	(182,672)	(1)	(182,672)	(1)	(141,326)	(1)
							Total stockholders' equity	<u>9,211,234</u>	<u>50</u>	<u>9,787,000</u>	<u>54</u>	<u>9,125,696</u>	<u>54</u>
Total assets	<u>\$ 18,460,833</u>	<u>100</u>	<u>\$ 17,938,779</u>	<u>100</u>	<u>\$ 16,975,936</u>	<u>100</u>	Total liabilities and stockholders' equity	<u>\$ 18,460,833</u>	<u>100</u>	<u>\$ 17,938,779</u>	<u>100</u>	<u>\$ 16,975,936</u>	<u>100</u>

ALPHA NETWORKS INC. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

Years ended June 30, 2014 and 2013
(in thousands of New Taiwan dollars, except for net income per common share)

	2014/4/1~2014/6/30		2013/4/1~2013/6/30		2014/1/1~2014/6/30		2013/1/1~2013/6/30	
	Amount	%	Amount	%	Amount	%	Amount	%
Sales revenue	\$ 5,996,966	100	\$ 6,075,095	100	\$ 11,433,909	100	\$ 10,924,369	100
Cost of goods sold	5,134,351	86	5,164,347	85	9,816,350	86	9,251,250	85
Gross Profit	862,615	14	910,748	15	1,617,559	14	1,673,119	15
Operating expenses :								
Selling	142,827	2	139,229	2	284,018	2	273,964	3
General and administrative	212,928	4	229,233	4	402,993	4	437,295	4
Research and development	335,490	6	376,714	7	690,657	6	738,797	7
	691,245	12	745,176	13	1,377,668	12	1,450,056	14
Operating income	171,370	2	165,572	2	239,891	2	223,063	1
Non-operating income and expenses :								
Other income and expenses	16,678	-	22,006	-	39,826	-	32,367	-
Other gains and losses	(70,611)	(1)	42,088	1	(93,605)	(1)	57,144	1
Finance costs	(6,374)	-	(8,983)	-	(11,714)	-	(19,200)	-
Long-term investment losses	(6,000)	-	-	-	(12,000)	-	-	-
	(66,307)	(1)	55,111	1	(77,493)	(1)	70,311	1
Income before income taxes	105,063	1	220,683	3	162,398	1	293,374	2
Income tax expenses	8,277	-	19,475	-	16,874	-	43,885	-
Net income	96,786	1	201,208	3	145,524	1	249,489	2
Other comprehensive income:								
Foreign currency translation differences - foreign operations	(50,201)	(1)	41,611	1	(83,459)	-	119,894	1
Unrealized gain or loss on available-for-sale financial assets	(18,362)	-	6,898	-	17,544	-	-	-
Net other comprehensive income	(68,563)	(1)	48,509	1	(65,915)	-	119,894	1
Comprehensive income	\$ 28,223	-	\$ 249,717	4	\$ 79,609	1	\$ 369,383	3
Earing per share(in New Taiwan dollars)								
Basic earnings per share	\$ 0.20		\$ 0.41		\$ 0.30		\$ 0.51	
Diluted earnings per share	\$ 0.20		\$ 0.40		\$ 0.30		\$ 0.50	