

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

Assets	2014/9/30		2013/12/31		2013/9/30	
	Amount	%	Amount	%	Amount	%
Current assets :						
Cash and cash equivalents	\$ 1,466,187	8	\$ 1,542,704	9	\$ 2,130,680	13
Financial assets at fair value through profit or loss - current	761	-	9,285	-	41,316	-
Notes and accounts receivable, net	2,426,414	13	3,318,715	20	2,746,930	16
Receivables from related parties	2,532,833	13	2,575,087	14	2,734,812	16
Inventories	4,261,932	23	4,394,209	24	3,885,718	23
Other financial assets - current	3,475,768	18	799,325	5	138,676	1
Other current assets	709,323	4	1,074,865	6	821,319	5
	<u>14,873,218</u>	<u>79</u>	<u>13,714,190</u>	<u>78</u>	<u>12,499,451</u>	<u>74</u>
Non-current assets :						
Available-for-sale financial assets - noncurrent	178,857	1	179,668	1	164,000	1
Financial assets carried at cost - noncurrent	9,996	-	9,996	-	9,996	-
Long-term investments	106,965	1	124,965	1	78,305	-
Property, plant and equipment	3,299,705	18	3,479,772	19	3,476,121	20
Intangible assets	203,351	1	220,966	1	216,065	1
Deferred tax assets	53,119	-	52,399	-	94,635	1
Other financial assets - noncurrent	54,630	-	56,022	-	288,361	2
Long-term prepaid rent	78,222	-	79,165	-	110,245	1
Other non-current assets	35,691	-	21,636	-	20,595	-
	<u>4,020,536</u>	<u>21</u>	<u>4,224,589</u>	<u>22</u>	<u>4,458,323</u>	<u>26</u>
Total assets	\$ 18,893,754	100	\$ 17,938,779	100	\$ 16,957,774	100

Liabilities and Stockholders' Equity	2014/9/30		2013/12/31		2013/9/30	
	Amount	%	Amount	%	Amount	%
Current liabilities :						
Short-term borrowings	\$ 3,694,001	19	\$ 597,898	3	\$ 502,130	3
Financial liabilities at fair value through profit or loss - current	54,662	-	51,487	-	2,783	-
Accounts payable	3,341,668	18	4,765,967	28	4,145,027	24
Accrued expenses	968,905	5	1,095,369	6	1,015,757	6
Payable to related parties	8,379	-	13,218	-	9,513	-
Income tax payable	15,564	-	42,577	-	62,215	-
Provisions-current	238,784	1	235,346	1	232,875	1
Other current liabilities	52,364	-	137,169	1	360,596	2
Long-term liabilities - current	304,549	2	136,797	1	179,745	1
	<u>8,678,876</u>	<u>45</u>	<u>7,075,828</u>	<u>40</u>	<u>6,510,641</u>	<u>37</u>
Non-current liabilities :						
Long-term loans	304,549	2	601,770	3	595,016	4
Deferred income tax liabilities	114,448	1	114,448	1	66,302	-
Accrued pension liabilities	377,212	2	359,210	2	502,869	3
Miscellaneous liabilities - other	674	-	523	-	514	-
	<u>796,883</u>	<u>5</u>	<u>1,075,951</u>	<u>6</u>	<u>1,164,701</u>	<u>7</u>
Total liabilities	9,475,759	50	8,151,779	46	7,675,342	44
Stockholders' equity :						
Common stock	4,971,271	26	4,917,727	27	4,917,727	29
Advance receipts for common	-	-	25,714	-	-	-
	<u>4,971,271</u>	<u>26</u>	<u>4,943,441</u>	<u>27</u>	<u>4,917,727</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	1,480,169	8	2,037,327	11	1,625,175	10
	<u>2,614,844</u>	<u>14</u>	<u>3,053,529</u>	<u>17</u>	<u>2,641,377</u>	<u>16</u>
Others	(191,177)	(1)	(196,722)	(1)	(245,120)	(1)
Treasury stock	(182,672)	(1)	(182,672)	(1)	(182,673)	(1)
Total stockholders' equity	9,417,995	50	9,787,000	54	9,282,432	56
Total liabilities and stockholders' equity	\$ 18,893,754	100	\$ 17,938,779	100	\$ 16,957,774	100

ALPHA NETWORKS INC. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

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

	2014/7/1~2014/9/30		2013/7/1~2013/9/30		2014/1/1~2014/9/30		2013/1/1~2013/9/30	
	Amount	%	Amount	%	Amount	%	Amount	%
Sales revenue	\$ 5,563,737	100	\$ 6,369,945	100	\$ 16,997,646	100	\$ 17,294,314	100
Cost of goods sold	4,810,006	86	5,332,528	84	14,626,356	86	14,583,778	84
Gross Profit	753,731	14	1,037,417	16	2,371,290	14	2,710,536	16
Operating expenses :								
Selling	145,426	3	136,847	2	429,444	3	410,811	2
General and administrative	213,408	4	226,268	4	616,401	4	663,563	5
Research and development	336,477	6	368,972	6	1,027,134	6	1,107,769	6
	695,311	13	732,087	12	2,072,979	13	2,182,143	13
Operating income	58,420	1	305,330	4	298,311	1	528,393	3
Non-operating income and expenses :								
Other income and expenses	42,442	1	20,692	-	82,268	-	50,546	-
Other gains and losses	73,882	1	(1,647)	-	(19,723)	-	55,497	-
Finance costs	(9,674)	-	(1,343)	-	(21,388)	-	(18,030)	-
Long-term investment losses	(6,000)	-	-	-	(18,000)	-	-	-
	100,650	2	17,702	-	23,157	-	88,013	-
Income before income taxes	159,070	3	323,032	4	321,468	1	616,406	3
Income tax expenses	23,769	-	81,798	1	40,643	-	125,683	1
Net income	135,301	3	241,234	3	280,825	1	490,723	2
Other comprehensive income:								
Foreign currency translation differences - foreign operations	88,731	2	(25,240)	-	5,272	-	94,654	1
Unrealized gain or loss on available-for-sale financial assets	(17,271)	-	(17,912)	-	273	-	(17,912)	-
Net other comprehensive income	71,460	2	(43,152)	-	5,545	-	76,742	1
Comprehensive income	<u>\$ 206,761</u>	<u>5</u>	<u>\$ 198,082</u>	<u>3</u>	<u>\$ 286,370</u>	<u>1</u>	<u>\$ 567,465</u>	<u>3</u>
Earning per share(in New Taiwan dollars)								
Basic earnings per share	\$ 0.28		\$ 0.50		\$ 0.58		\$ 1.01	
Diluted earnings per share	\$ 0.28		\$ 0.49		\$ 0.57		\$ 0.98	