

ALPHA NETWORKS INC. AND SUBSIDIARIES
Consolidated Balance Sheet
September 30, 2015, December 31, 2014 and September 30, 2014
(in thousands of New Taiwan dollars)

Assets	2015/9/30		2014/12/31		2014/9/30		Liabilities and Stockholders' Equity	2015/9/30		2014/12/31		2014/9/30	
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%
Current assets :							Current liabilities :						
Cash and cash equivalents	\$ 1,734,038	10	\$ 2,281,025	14	\$ 1,466,187	8	Short-term borrowings	\$ 1,973,699	11	\$ 309,899	2	\$ 3,694,001	19
Financial assets at fair value through profit or loss - current	2,860	-	690	-	761	-	Financial liabilities at fair value through profit or loss - current	54,322	-	131,889	1	54,662	-
Notes and accounts receivable, net	3,181,038	19	2,848,315	17	2,426,414	13	Accounts payable	3,812,640	22	3,830,819	23	3,341,668	18
Receivables from related parties	1,605,565	9	2,600,755	16	2,532,833	13	Accrued expenses	916,343	6	1,057,230	6	968,905	5
Inventories	4,404,623	26	4,014,506	24	4,261,932	23	Payable to related parties	6,267	-	9,624	-	8,379	-
Other financial assets - current	2,393,566	14	361,719	2	3,475,768	18	Income tax payable	8,114	-	92,626	1	15,564	-
Other current assets	247,758	1	515,851	3	709,323	4	Provisions-current	245,522	1	241,947	2	238,784	1
	<u>13,569,448</u>	<u>79</u>	<u>12,622,861</u>	<u>76</u>	<u>14,873,218</u>	<u>79</u>	Other current liabilities	134,109	1	228,889	1	52,364	-
							Long-term liabilities - current	<u>329,134</u>	<u>2</u>	<u>312,026</u>	<u>2</u>	<u>304,549</u>	<u>2</u>
Non-current assets :								<u>7,480,150</u>	<u>43</u>	<u>6,214,949</u>	<u>38</u>	<u>8,678,876</u>	<u>45</u>
Available-for-sale financial assets - noncurrent	103,641	1	186,957	1	178,857	1	Non-current liabilities :						
Financial assets carried at cost - noncurrent	-	-	9,996	-	9,996	-	Long-term loans	629,134	4	312,026	2	304,549	2
Investments in debt securities with no active market- noncurrent	77,925	-	-	-	-	-	Deferred income tax liabilities	149,818	1	149,818	1	114,448	1
Long-term investments	82,965	1	100,965	1	106,965	1	Defined benefit liabilities	382,961	2	364,958	2	377,212	2
Property, plant and equipment	3,059,071	18	3,335,529	20	3,299,705	18	Miscellaneous liabilities - other	631	-	673	-	674	-
Intangible assets	214,803	1	219,877	1	203,351	1		<u>1,162,544</u>	<u>7</u>	<u>827,475</u>	<u>5</u>	<u>796,883</u>	<u>5</u>
Deferred tax assets	80,762	-	81,076	-	53,119	-	Total liabilities	<u>8,642,694</u>	<u>50</u>	<u>7,042,424</u>	<u>43</u>	<u>9,475,759</u>	<u>50</u>
Other financial assets - noncurrent	18,775	-	53,618	-	54,630	-	Stockholders' equity :						
Long-term prepaid rent	79,865	-	80,067	1	78,222	-	Common stock	4,429,144	26	4,971,271	30	4,971,271	26
Other non-current assets	7,685	-	34,576	-	35,691	-	Capital surplus	2,185,837	13	2,205,729	13	2,205,729	12
	<u>3,725,492</u>	<u>21</u>	<u>4,102,661</u>	<u>24</u>	<u>4,020,536</u>	<u>21</u>	Retained earnings :						
							Legal reserve	991,530	5	937,953	6	937,953	5
							Special reserve	110,280	1	196,722	1	196,722	1
							Unappropriated earnings	955,173	5	1,739,138	10	1,480,169	8
								<u>2,056,983</u>	<u>11</u>	<u>2,873,813</u>	<u>17</u>	<u>2,614,844</u>	<u>14</u>
							Others	153,571	1	(110,280)	(1)	(191,177)	(1)
							Treasury stock	(173,289)	(1)	(257,435)	(2)	(182,672)	(1)
							Total stockholders' equity	<u>8,652,246</u>	<u>50</u>	<u>9,683,098</u>	<u>57</u>	<u>9,417,995</u>	<u>50</u>
Total assets	<u>\$ 17,294,940</u>	<u>100</u>	<u>\$ 16,725,522</u>	<u>100</u>	<u>\$ 18,893,754</u>	<u>100</u>	Total liabilities and stockholders' equity	<u>\$ 17,294,940</u>	<u>100</u>	<u>\$ 16,725,522</u>	<u>100</u>	<u>\$ 18,893,754</u>	<u>100</u>

ALPHA NETWORKS INC. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

Years ended September 30, 2015 and 2014
(in thousands of New Taiwan dollars, except for net income per common share)

	2015/7/1~2015/9/30		2014/7/1~2014/9/30		2015/1/1~2015/9/30		2014/1/1~2014/9/30	
	Amount	%	Amount	%	Amount	%	Amount	%
Sales revenue	\$ 5,467,399	100	\$ 5,563,737	100	\$ 17,625,591	100	\$ 16,997,646	100
Cost of goods sold	4,741,829	87	4,810,006	86	15,365,933	87	14,626,356	86
Gross Profit	725,570	13	753,731	14	2,259,658	13	2,371,290	14
Operating expenses :								
Selling	191,848	4	145,426	3	466,233	3	429,444	3
General and administrative	197,443	4	213,408	4	576,151	3	616,401	4
Research and development	354,167	6	336,477	6	1,071,164	6	1,027,134	6
	743,458	14	695,311	13	2,113,548	12	2,072,979	13
Operating income(loss)	(17,888)	(1)	58,420	1	146,110	1	298,311	1
Non-operating income and expenses :								
Other income	1,728	-	42,442	1	56,700	-	82,268	-
Other gains and losses	(240,991)	(4)	73,882	1	(347,511)	(2)	(19,723)	-
Finance costs	(2,122)	-	(9,674)	-	(11,893)	-	(21,388)	-
Long-term investment losses	(6,000)	-	(6,000)	-	(18,000)	-	(18,000)	-
	(247,385)	(4)	100,650	2	(320,704)	(2)	23,157	-
Income(loss) before income taxes	(265,273)	(5)	159,070	3	(174,594)	(1)	321,468	1
Income tax expenses	27,050	-	23,769	-	50,766	-	40,643	-
Net income(loss)	(292,323)	(5)	135,301	3	(225,360)	(1)	280,825	1
Other comprehensive income:								
Foreign currency translation differences - foreign operations	103,434	2	88,731	2	18,302	-	5,272	-
Available-for-sale financial assets	302,843	6	(17,271)	-	245,549	1	273	-
Net other comprehensive income	406,277	8	71,460	2	263,851	1	5,545	-
Comprehensive income	\$ 113,954	3	\$ 206,761	5	\$ 38,491	-	\$ 286,370	1
Earing per share(in New Taiwan dollars)								
Basic earnings per share	\$ (0.65)		\$ 0.28		\$ (0.48)		\$ 0.58	
Diluted earnings per share			\$ 0.28				\$ 0.57	