

ALPHA NETWORKS INC. AND SUBSIDIARIES
Consolidated Balance Sheet
March 31, 2016¹ December 31, 2015 and March 31, 2015
(in thousands of New Taiwan dollars)

Assets	2016/3/31		2015/12/31		2015/3/31		Liabilities and Stockholders' Equity	2016/3/31		2015/12/31		2015/3/31	
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%
Current assets :							Current liabilities :						
Cash and cash equivalents	\$ 2,741,933	18	\$ 2,453,944	17	\$ 3,029,571	16	Short-term borrowings	\$ 6,899	-	\$ -	-	\$ 2,968,203	16
Financial assets at fair value through profit or loss - current	84,992	1	1,811	-	28,976	-	Financial liabilities at fair value through profit or loss - current	17,644	-	24,317	-	13,051	-
Notes and accounts receivable, net	2,337,035	16	2,300,640	16	2,603,290	14	Accounts payable	3,494,308	24	3,307,636	23	3,826,613	20
Receivables from related parties	1,524,792	10	1,603,299	11	1,981,446	11	Accrued expenses	833,727	6	973,002	6	855,823	5
Inventories	3,817,561	26	3,787,607	26	4,118,147	22	Other payables to related parties	8,358	-	6,123	-	13,166	-
Other financial assets - current	388,089	3	392,201	3	2,867,911	15	Income tax payable	18,877	-	7,663	-	75,711	-
Other current assets	251,284	2	229,184	2	300,706	2	Provisions-current	248,299	2	242,638	2	241,826	1
	<u>11,145,686</u>	<u>76</u>	<u>10,768,686</u>	<u>75</u>	<u>14,930,047</u>	<u>80</u>	Other current liabilities	<u>306,903</u>	<u>2</u>	<u>222,113</u>	<u>2</u>	<u>33,221</u>	<u>-</u>
								<u>4,935,015</u>	<u>34</u>	<u>4,783,492</u>	<u>33</u>	<u>8,027,614</u>	<u>42</u>
Non-current assets :							Non-current liabilities :						
Available-for-sale financial assets - noncurrent	108,706	1	108,706	1	169,869	1	Long-term loans	622,026	4	624,550	4	629,748	3
Investments in debt instrument without active market- noncurrent	77,925	1	77,925	1	-	-	Deferred income tax liabilities	105,344	1	105,344	1	149,818	1
Investments accounted for using equity method	76,965	1	76,965	1	94,965	1	Net defined benefit liabilities	393,630	3	388,830	3	370,961	2
Property, plant and equipment	2,783,558	19	2,896,490	20	3,191,345	17	Other non-current liabilities, others	673	-	610	-	666	-
Intangible assets	223,727	2	227,900	2	223,141	1		<u>1,121,673</u>	<u>8</u>	<u>1,119,334</u>	<u>8</u>	<u>1,151,193</u>	<u>6</u>
Deferred tax assets	41,760	-	55,365	-	80,895	-	Total liabilities	<u>6,056,688</u>	<u>42</u>	<u>5,902,826</u>	<u>41</u>	<u>9,178,807</u>	<u>48</u>
Other financial assets - noncurrent	18,957	-	19,896	-	53,411	-	Stockholders' equity :						
Long-term prepaid rent	76,049	-	76,706	-	78,768	-	Common stock	4,429,144	30	4,429,144	31	4,921,271	26
Other non-current assets	688	-	5,275	-	41,473	-	Capital surplus	2,185,837	15	2,185,837	15	2,185,837	12
	<u>3,408,335</u>	<u>24</u>	<u>3,545,228</u>	<u>25</u>	<u>3,933,867</u>	<u>20</u>	Retained earnings :						
							Legal reserve	991,530	7	991,530	7	937,953	5
							Special reserve	110,280	1	110,280	1	196,722	1
							Unappropriated earnings	904,266	6	826,483	6	1,793,924	10
								<u>2,006,076</u>	<u>14</u>	<u>1,928,293</u>	<u>14</u>	<u>2,928,599</u>	<u>16</u>
							Others	53,061	-	44,599	-	(167,928)	(1)
							Treasury stock	(176,785)	(1)	(176,785)	(1)	(182,672)	(1)
							Total stockholders' equity	<u>8,497,333</u>	<u>58</u>	<u>8,411,088</u>	<u>59</u>	<u>9,685,107</u>	<u>52</u>
Total assets	\$ 14,554,021	100	\$ 14,313,914	100	\$ 18,863,914	100	Total liabilities and stockholders' equity	\$ 14,554,021	100	\$ 14,313,914	100	\$ 18,863,914	100

ALPHA NETWORKS INC. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

Years ended March 31, 2016 and 2015

(in thousands of New Taiwan dollars, except for net income per common share)

	2016Q1		2015Q1	
	Amount	%	Amount	%
Sales revenue	\$ 5,189,594	100	\$ 5,857,024	100
Cost of goods sold	4,443,493	86	5,051,311	86
Gross Profit	746,101	14	805,713	14
Operating expenses :				
Selling	117,516	2	114,658	2
General and administrative	170,875	3	191,656	3
Research and development	357,354	7	357,239	6
	645,745	12	663,553	11
Operating income	100,356	2	142,160	3
Non-operating income and expenses :				
Other income	22,878	-	12,623	-
Other gains and losses	(12,096)	-	(61,324)	(1)
Finance costs	(2,931)	-	(4,111)	-
Share of profit (loss) of associates accounted for using equity method, net	-	-	(6,000)	-
	7,851	-	-58,812	(1)
Income(loss) before income taxes	108,207	2	83,348	2
Income tax expenses	30,424	1	16,385	-
Net income	77,783	1	66,963	2
Other comprehensive income:				
Exchange differences on translation	8,462	-	(40,560)	(1)
Unrealised gains (losses) on valuation of available-for-sale financial assets	-	-	(17,088)	-
Net other comprehensive income	8,462	-	(57,648)	(1)
Total comprehensive income	86,245	1	9,315	1
Earing per share(in New Taiwan dollars)				
Basic earnings per share	\$	0.18	\$	0.14
Diluted earnings per share	\$	0.18	\$	0.14