

ALPHA NETWORKS INC. AND SUBSIDIARIES
Consolidated Balance Sheet
March 31, 2011 and 2010
(in thousands of New Taiwan dollars)

Assets	2011/3/31		2010/3/31		Liabilities and Stockholders' Equity	2011/3/31		2010/3/31	
	Amount	%	Amount	%		Amount	%	Amount	%
Current assets :					Current liabilities :				
Cash and cash equivalents	\$ 2,926,400	18	\$ 4,368,723	28	Short-term borrowings	\$ 1,209,204	8	\$ 306,570	2
Financial assets at fair value through profit or loss - current	77	-	44,865	-	Accounts payable	4,228,503	26	4,452,940	28
Notes and accounts receivable, net	2,691,512	17	1,775,968	11	Payable to related parties	9,340	-	10,884	-
Receivables from related parties	2,533,714	16	2,645,863	17	Income tax payable	129,118	1	194,082	1
Other financial assets - current	47,051	-	54,278	-	Accrued expenses	870,396	5	1,015,442	7
Inventories	3,954,231	24	3,526,582	23	Financial liabilities at fair value through profit or loss - current	24,203	-	28,035	-
Deferred income tax assets - current	116,067	1	93,931	1	Bonds payable - current portion	-	-	306,006	2
Other current assets	113,120	-	102,604	1	Other current liabilities	297,597	2	261,489	2
	<u>12,382,172</u>	<u>76</u>	<u>12,612,814</u>	<u>81</u>		<u>6,768,361</u>	<u>42</u>	<u>6,575,448</u>	<u>42</u>
Funds and investments :					Other liabilities :				
Other financial assets - noncurrent	22,056	-	45,144	-	Accrued pension liabilities	135,344	1	117,048	1
Available-for-sale financial assets - noncurrent	270,010	2	323,224	2	Deferred income tax liabilities - noncurrent	22,262	-	38,953	-
Financial assets carried at cost - noncurrent	9,996	-	9,996	-	Miscellaneous liabilities - other	323	-	333	-
	<u>302,062</u>	<u>2</u>	<u>378,364</u>	<u>2</u>		<u>157,929</u>	<u>1</u>	<u>156,334</u>	<u>1</u>
Property, plant and equipment :					Total liabilities	<u>6,926,290</u>	<u>43</u>	<u>6,731,782</u>	<u>43</u>
Land	100,600	-	-	-	Stockholders' equity :				
Buildings and improvements	1,967,076	12	1,908,906	12	Common stock	4,756,184	29	4,654,575	30
Machinery and equipment	1,583,224	10	1,500,432	10	Advance receipts for common stock	1,422	-	31,452	-
Transportation, office and other equipment	278,946	2	248,992	1		<u>4,757,606</u>	<u>29</u>	<u>4,686,027</u>	<u>30</u>
	<u>3,929,846</u>	<u>24</u>	<u>3,658,330</u>	<u>23</u>	Capital surplus	1,803,116	11	1,671,059	11
Less: accumulated depreciation	1,832,952	11	1,571,324	10	Retained earnings :				
Prepayment for equipment and construction in progress	1,011,519	6	180,771	1	Legal reserve	599,696	4	516,800	3
	<u>3,108,413</u>	<u>19</u>	<u>2,267,777</u>	<u>14</u>	Special reserve	-	-	42,504	-
Intangible assets					Unappropriated earnings	2,231,392	14	2,013,272	13
Trademarks	116	-	-	-		<u>2,831,088</u>	<u>18</u>	<u>2,572,576</u>	<u>16</u>
Goodwill	140,913	1	140,913	1	Cumulative foreign currency translation adjustment	57,795	-	125,871	1
Core technologies	5,756	-	17,270	-	Unrealized gain or loss on available-for-sale financial assets	(162,496)	(1)	(109,282)	(1)
Land use right	107,985	1	145,347	1	Treasury stock	(54,459)	-	(28,962)	-
	<u>254,770</u>	<u>2</u>	<u>303,530</u>	<u>2</u>	Minority interest	1,947	-	5,299	-
Other assets :					Total stockholders' equity	<u>9,234,597</u>	<u>57</u>	<u>8,922,588</u>	<u>57</u>
Deferred expenses	113,470	1	91,885	1	Commitments and contingencies				
	<u>113,470</u>	<u>1</u>	<u>91,885</u>	<u>1</u>					
Total assets	<u>\$ 16,160,887</u>	<u>100</u>	<u>15,654,370</u>	<u>100</u>	Total liabilities and stockholders' equity	<u>\$ 16,160,887</u>	<u>100</u>	<u>15,654,370</u>	<u>100</u>

ALPHA NETWORKS INC. AND SUBSIDIARIES

Consolidated Statements of Income

Years ended March 31, 2011 and 2010

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

	2011Q1		2010Q1	
	Amount	%	Amount	%
Sales revenue	\$ 5,666,640	100	\$ 4,792,805	100
Cost of goods sold	4,834,910	85	4,000,576	83
Gross Profit	831,730	15	792,229	17
Operating expenses :				
Selling	162,937	3	100,499	2
General and administrative	170,667	3	138,421	3
Research and development	370,872	7	396,579	8
	704,476	13	635,499	13
Operating income	127,254	2	156,730	4
Non-operating income and gains:				
Interest income	4,718	-	2,588	-
Gain on valuation of financial assets	-	-	20,733	-
Other income, net	6,240	-	23,287	-
	10,958	-	46,608	-
Non-operating expenses and losses:				
Interest expenses	11,082	-	5,040	-
Foreign currency exchange loss, net	22,128	1	19,361	-
Loss on valuation of financial assets	15,454	-	-	-
	48,664	1	24,401	-
Income before income taxes	89,548	1	178,937	4
Income tax expenses	11,749	-	25,971	1
Net income	\$ 77,799	1	152,966	3
Attributable to:				
Equity holders of the parent company	78,501	1	153,715	3
Minority interest	(702)	-	(749)	-
	\$ 77,799	1	152,966	3
Earning per share(in New Taiwan dollars)				
	Before taxes	After taxes	Before taxes	After taxes
Basic earnings per share	\$ 0.18	0.17	0.39	0.33
Diluted earnings per share	\$ 0.18	0.16	0.38	0.32