

ALPHA NETWORKS INC. AND SUBSIDIARIES
Consolidated Balance Sheet
June 30, 2011 and 2010
(in thousands of New Taiwan dollars)

Assets	2011/6/30		2010/6/30		Liabilities and Stockholders' Equity	2011/6/30		2010/6/30	
	Amount	%	Amount	%		Amount	%	Amount	%
Current assets :					Current liabilities :				
Cash and cash equivalents	\$ 2,837,962	17	\$ 2,993,329	17	Short-term borrowings	\$ 1,219,403	7	\$ 410,506	2
Financial assets at fair value through profit or loss - current	12,909	-	13,772	-	Accounts payable	4,595,074	27	5,921,022	35
Notes and accounts receivable, net	2,639,332	16	3,043,519	17	Payable to related parties	10,212	-	18,364	-
Receivables from related parties	3,073,513	18	4,136,760	24	Income tax payable	44,299	-	57,878	-
Other financial assets - current	900	-	22,413	-	Accrued expenses	955,296	6	1,206,037	7
Inventories	3,960,619	24	3,968,966	22	Financial liabilities at fair value through profit or loss - current	7,623	-	75,690	-
Other current assets	389,615	2	174,172	1	Dividends payable	710,116	4	602,720	3
	<u>12,914,850</u>	<u>77</u>	<u>14,352,931</u>	<u>81</u>	Bonds payable - current portion	-	-	247,098	1
					Other current liabilities	362,685	3	187,983	1
						<u>7,904,708</u>	<u>47</u>	<u>8,727,298</u>	<u>49</u>
Funds and investments :					Other liabilities :				
Other financial assets - noncurrent	21,027	-	46,420	-	Accrued pension liabilities	138,489	1	122,945	1
Available-for-sale financial assets - noncurrent	258,677	2	241,926	2	Deferred income tax liabilities - noncurrent	19,041	-	26,588	-
Financial assets carried at cost - noncurrent	9,996	-	9,996	-	Miscellaneous liabilities - other	313	-	392	-
	<u>289,700</u>	<u>2</u>	<u>298,342</u>	<u>2</u>		<u>157,843</u>	<u>1</u>	<u>149,925</u>	<u>1</u>
					Total liabilities	8,062,551	48	8,877,223	50
Property, plant and equipment :					Stockholders' equity :				
Land	99,136	-	-	-	Common stock	4,756,784	28	4,685,184	27
Buildings and improvements	2,887,368	17	2,056,460	11	Advance receipts for common stock	-	-	24,748	-
Machinery and equipment	1,720,125	10	1,563,145	8		<u>4,756,784</u>	<u>28</u>	<u>4,709,932</u>	<u>27</u>
Transportation, office and other equipment	350,880	2	249,864	2	Capital surplus	1,803,938	11	1,708,490	10
	<u>5,057,509</u>	<u>29</u>	<u>3,869,469</u>	<u>21</u>	Retained earnings :				
Less: accumulated depreciation	1,894,132	11	1,644,358	9	Legal reserve	693,341	4	599,696	3
Prepayment for equipment and construction in progress	58,185	-	278,985	2	Special reserve	102,505	1	-	-
	<u>3,221,562</u>	<u>18</u>	<u>2,504,096</u>	<u>14</u>	Unappropriated earnings	1,555,192	9	1,694,390	10
						<u>2,351,038</u>	<u>14</u>	<u>2,294,086</u>	<u>13</u>
Intangible assets					Cumulative foreign currency translation adjustment	36,467	-	159,486	1
Trademarks	116	-	-	-	Unrealized gain or loss on available-for-sale financial assets	(173,829)	(1)	(190,580)	(1)
Goodwill	140,913	1	140,913	1	Treasury stock	(54,459)	-	(28,962)	-
Core technologies	2,879	-	14,392	-	Minority interest	1,275	-	4,632	-
Land use right	106,328	1	115,630	1		<u>8,721,214</u>	<u>52</u>	<u>8,657,084</u>	<u>50</u>
	<u>250,236</u>	<u>2</u>	<u>270,935</u>	<u>2</u>	Total stockholders' equity				
Other assets :					Commitments and contingencies				
Deferred expenses	107,417	1	108,003	1					
	<u>107,417</u>	<u>1</u>	<u>108,003</u>	<u>1</u>	Total liabilities and stockholders' equity	\$ 16,783,765	100	17,534,307	100
Total assets	\$ 16,783,765	101	17,534,307	100					

ALPHA NETWORKS INC. AND SUBSIDIARIES

Consolidated Statements of Income

Years ended June 30, 2011 and 2010
(in thousands of New Taiwan dollars, except for net income per common share)

	2011		2010	
	Amount	%	Amount	%
Sales revenue	\$ 11,926,910	100	\$ 12,298,624	100
Cost of goods sold	10,219,851	86	10,453,365	85
Gross Profit	1,707,059	14	1,845,259	15
Operating expenses :				
Selling	263,573	2	197,050	2
General and administrative	355,395	3	274,948	2
Research and development	715,004	6	866,408	7
	1,333,972	11	1,338,406	11
Operating income	373,087	3	506,853	4
Non-operating income and gains:				
Interest income	9,320	-	9,493	-
Gain on valuation of financial assets	33,303	-	56,130	-
Other income, net	9,452	-	65,915	1
	52,075	-	131,538	1
Non-operating expenses and losses:				
Interest expenses	24,991	-	11,604	-
Foreign currency exchange loss, net	26,550	-	10,121	-
Loss on valuation of financial assets	-	-	53,163	-
	51,541	-	74,888	-
Income before income taxes	373,621	3	563,503	5
Income tax expenses	66,428	1	86,977	1
Net income	\$ 307,193	2	476,526	4
Attributable to:				
Equity holders of the parent company	308,567	2	477,945	4
Minority interest	(1,374)	-	(1,419)	-
	\$ 307,193	2	476,526	4

Earning per share(in New Taiwan dollars)	Before taxes		After taxes	
	Before taxes	After taxes	Before taxes	After taxes
Basic earnings per share	\$ 0.79	0.65	1.21	1.02
Diluted earnings per share	\$ 0.78	0.64	1.17	0.99