

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

Assets	2011/9/30		2010/9/30		Liabilities and Stockholders' Equity	2011/9/30		2010/9/30	
	Amount	%	Amount	%		Amount	%	Amount	%
<b>Current assets :</b>					<b>Current liabilities :</b>				
Cash and cash equivalents	\$ 2,372,586	13	\$ 2,272,062	13	Short-term borrowings	\$ 1,254,922	7	\$ 489,571	3
Financial assets at fair value through profit or loss - current	1	-	29,280	-	Accounts payable	5,319,796	30	5,416,575	32
Notes and accounts receivable, net	2,970,015	17	3,014,382	18	Payable to related parties	13,779	-	77,000	-
Receivables from related parties	3,175,636	18	3,797,190	22	Income tax payable	33,339	1	100,903	1
Other financial assets - current	94,308	-	80,130	-	Accrued expenses	1,151,820	6	1,271,624	8
Inventories	4,743,629	27	4,134,810	24	Financial liabilities at fair value through profit or loss - current	127,316	1	137	-
Deferred income tax assets - current	101,885	1	60,826	-	Bonds payable - current portion	-	-	245,503	1
Other current assets	107,981	1	121,690	2	Other current liabilities	429,481	2	227,435	1
	<u>13,566,041</u>	<u>77</u>	<u>13,510,370</u>	<u>79</u>		<u>8,330,453</u>	<u>47</u>	<u>7,828,748</u>	<u>46</u>
<b>Funds and investments :</b>					<b>Other liabilities :</b>				
Other financial assets - noncurrent	20,754	-	46,651	-	Accrued pension liabilities	144,489	1	124,771	1
Available-for-sale financial assets - noncurrent	223,695	1	336,527	2	Deferred income tax liabilities - noncurrent	57,163	-	46,555	-
Financial assets carried at cost - noncurrent	9,996	-	9,996	-	Miscellaneous liabilities - other	366	-	380	-
	<u>254,445</u>	<u>1</u>	<u>393,174</u>	<u>2</u>		<u>202,018</u>	<u>1</u>	<u>171,706</u>	<u>1</u>
<b>Property, plant and equipment :</b>					<b>Total liabilities</b>	<u>8,532,471</u>	<u>48</u>	<u>8,000,454</u>	<u>47</u>
Land	102,837	1	104,614	-	<b>Stockholders' equity :</b>				
Buildings and improvements	3,043,027	17	1,977,473	12	Common stock	4,756,784	27	4,709,557	28
Machinery and equipment	1,868,543	10	1,574,572	9	Advance receipts for common stock	-	-	1,997	-
Transportation, office and other equipment	381,465	2	257,276	2		<u>4,756,784</u>	<u>27</u>	<u>4,711,554</u>	<u>28</u>
	<u>5,395,872</u>	<u>30</u>	<u>3,913,935</u>	<u>23</u>	Capital surplus	1,803,938	10	1,710,845	10
Less: accumulated depreciation	2,067,719	12	1,714,952	10	Retained earnings :				
Prepayment for equipment and construction in progress	149,911	1	435,111	3	Legal reserve	693,341	4	599,696	4
	<u>3,478,064</u>	<u>19</u>	<u>2,634,094</u>	<u>16</u>	Special reserve	102,505	1	-	-
<b>Intangible assets</b>					Unappropriated earnings	1,874,707	10	2,028,725	12
Trademarks	120	-	-	-		<u>2,670,553</u>	<u>15</u>	<u>2,628,421</u>	<u>16</u>
Goodwill	140,913	1	140,913	1	Cumulative foreign currency translation adjustment	159,854	1	129,792	1
Core technologies	-	-	11,513	-	Unrealized gain or loss on available-for-sale financial assets	(208,811)	(1)	(95,979)	(1)
Land use right	113,721	1	113,365	1	Treasury stock	(54,459)	-	(154,971)	(1)
	<u>254,754</u>	<u>2</u>	<u>265,791</u>	<u>2</u>	Minority interest	423	-	3,677	-
<b>Other assets :</b>					<b>Total stockholders' equity</b>	<u>9,128,282</u>	<u>52</u>	<u>8,933,339</u>	<u>53</u>
Deferred expenses	94,814	1	105,739	1	<b>Commitments and contingencies</b>				
Deferred income tax assets - noncurrent	12,635	-	24,625	-					
	<u>107,449</u>	<u>1</u>	<u>130,364</u>	<u>1</u>	<b>Total liabilities and stockholders' equity</b>	<u>\$ 17,660,753</u>	<u>100</u>	<u>16,933,793</u>	<u>100</u>
<b>Total assets</b>	<u>\$ 17,660,753</u>	<u>100</u>	<u>16,933,793</u>	<u>100</u>					

# ALPHA NETWORKS INC. AND SUBSIDIARIES

## Consolidated Statements of Income

Years ended September 30, 2011 and 2010

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

	2011		2010	
	Amount	%	Amount	%
<b>Sales revenue</b>	\$ 18,310,318	100	\$ 19,506,094	100
<b>Cost of goods sold</b>	15,543,603	85	16,453,070	84
<b>Gross Profit</b>	2,766,715	15	3,053,024	16
<b>Operating expenses :</b>				
Selling	469,514	3	349,831	2
General and administrative	572,332	3	470,695	2
Research and development	1,080,146	6	1,359,197	7
	2,121,992	12	2,179,723	11
<b>Operating income</b>	644,723	3	873,301	5
<b>Non-operating income and gains:</b>				
Interest income	17,047	-	14,466	-
Reversal of impairment loss	-	-	31,875	-
Dividend income	-	-	9,854	-
Foreign currency exchange gain, net	212,573	1	-	-
Gain on valuation of financial assets	-	-	77,293	1
Other income, net	48,671	1	70,576	-
	278,291	2	204,064	1
<b>Non-operating expenses and losses:</b>				
Interest expenses	36,995	-	20,780	-
Foreign currency exchange loss, net	-	-	117,688	1
Loss on valuation of financial assets	106,966	1	-	-
Other loss, net	11,944	-	-	-
	155,905	1	138,468	1
<b>Income before income taxes</b>	767,109	4	938,897	5
<b>Income tax expenses</b>	141,253	1	128,989	1
<b>Net income</b>	<b>\$ 625,856</b>	<b>3</b>	<b>809,908</b>	<b>4</b>
<b>Attributable to:</b>				
Equity holders of the parent company	628,082	3	812,280	4
Minority interest	(2,226)	-	(2,372)	-
	<b>\$ 625,856</b>	<b>3</b>	<b>809,908</b>	<b>4</b>

### Earning per share(in New Taiwan dollars)

	Before taxes	After taxes	Before taxes	After taxes
Basic earnings per share	\$ 1.53	1.33	2.02	1.74
Diluted earnings per share	\$ 1.49	1.30	1.95	1.68