

**ALPHA NETWORKS INC. AND SUBSIDIARIES**  
**Consolidated Balance Sheet**  
**June 30, 2012 and 2011**  
(in thousands of New Taiwan dollars)

Assets	June 30, 2012		June 30, 2011		Liabilities and Stockholders' Equity	June 30, 2012		June 30, 2011	
	Amount	%	Amount	%		Amount	%	Amount	%
<b>Current assets :</b>					<b>Current liabilities :</b>				
Cash and cash equivalents	\$ 3,185,104	17	\$ 2,837,962	17	Short-term borrowings	\$ 1,374,432	7	\$ 1,219,403	7
Financial assets at fair value through profit or loss - current	6,169	-	12,909	-	Accounts payable	4,562,147	24	4,595,074	27
Notes and accounts receivable, net	2,888,077	15	2,639,332	16	Payable to related parties	12,355	-	10,212	-
Receivables from related parties	3,302,847	17	3,073,513	18	Income tax payable	83,360	-	44,299	-
Other financial assets - current	162,524	1	900	-	Accrued expenses	996,725	6	955,296	6
Inventories	4,895,501	26	3,960,619	24	Financial liabilities at fair value through profit or loss - current	39,191	-	7,623	-
Other current assets	378,920	2	389,615	2	Dividends payable	690,725	4	710,116	4
	14,819,142	78	12,914,850	77	Other current liabilities	580,769	3	362,685	3
						8,339,704	44	7,904,708	47
<b>Funds and investments :</b>					<b>Long-term liabilities :</b>				
Other financial assets - noncurrent	35,061	-	21,027	-	Long-term loans	297,302	2	-	-
Available-for-sale financial assets - noncurrent	187,726	1	258,677	2	Financial liabilities at fair value through profit or loss - noncurrent	489	-	-	-
Financial assets carried at cost - noncurrent	9,996	-	9,996	-	Bonds payable	177,809	-	-	-
	232,783	1	289,700	2		475,600	2	-	-
					<b>Other liabilities :</b>				
<b>Property, plant and equipment :</b>					Accrued pension liabilities	165,725	1	138,489	1
Land	101,561	1	99,136	-	Deferred income tax liabilities - noncurrent	35,854	-	19,041	-
Buildings and improvements	3,051,196	16	2,887,368	17	Miscellaneous liabilities - other	788	-	313	-
Machinery and equipment	2,073,348	11	1,720,125	10		202,367	1	157,843	1
Transportation, office and other equipment	304,250	2	350,880	2		9,017,671	47	8,062,551	48
	5,530,355	30	5,057,509	29	<b>Total liabilities</b>				
Less: accumulated depreciation	2,026,068	12	1,894,132	11					
Prepayment for equipment and construction in progress	95,777	-	58,185	-	<b>Stockholders' equity :</b>				
	3,600,064	18	3,221,562	18	Common stock	5,162,358	27	4,756,784	28
					Advance receipts for common stock	11,344	-	-	-
<b>Intangible assets</b>						5,173,702	27	4,756,784	28
Trademarks	59	-	116	-	Capital surplus	2,263,334	12	1,803,938	11
Goodwill	134,883	1	140,913	1	Retained earnings :				
Core technologies	-	-	2,879	-	Legal reserve	788,389	4	693,341	4
Land use right	110,166	1	106,328	1	Special reserve	65,322	-	102,505	1
	245,108	2	250,236	2	Unappropriated earnings	1,846,107	10	1,555,192	9
						2,699,818	14	2,351,038	14
<b>Other assets :</b>					Cumulative foreign currency translation adjustment	123,528	1	36,467	-
Deferred expenses	125,374	1	107,417	1	Unrealized gain or loss on available-for-sale financial assets	(244,780)	(1)	(173,829)	(1)
					Treasury stock	(9,786)	-	(54,459)	-
					Minority interest	(1,016)	-	1,275	-
					<b>Total stockholders' equity</b>	10,004,800	53	8,721,214	51
					<b>Commitments and contingencies</b>				
<b>Total assets</b>	<b>\$ 19,022,471</b>	<b>100</b>	<b>16,783,765</b>	<b>100</b>	<b>Total liabilities and stockholders' equity</b>	<b>\$ 19,022,471</b>	<b>100</b>	<b>16,783,765</b>	<b>100</b>

**ALPHA NETWORKS INC. AND SUBSIDIARIES**

**Consolidated Statements of Income**

Years ended June 30, 2012 and 2011

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

	For The Six Months Ended June 30			
	2012		2011	
	Amount	%	Amount	%
<b>Sales revenue</b>	13,160,591	100	11,926,910	100
<b>Cost of goods sold</b>	11,088,578	84	10,219,851	86
<b>Gross Profit</b>	2,072,013	16	1,707,059	14
<b>Operating expenses :</b>				
Selling	313,871	2	263,573	2
General and administrative	402,215	3	355,395	3
Research and development	718,077	5	715,004	6
	1,434,163	10	1,333,972	11
<b>Operating income</b>	637,850	6	373,087	3
<b>Non-operating income and gains:</b>				
Interest income	12,697	-	9,320	-
Gain on valuation of financial assets	52,268	-	33,303	-
Other income, net	-	-	9,452	-
	64,965	-	52,075	-
<b>Non-operating expenses and losses:</b>				
Interest expenses	35,634	-	24,991	-
Foreign currency exchange loss, net	78,333	1	26,550	-
Impairment loss	12,833	-	-	-
Other loss, net	2,688	-	-	-
	129,488	1	51,541	-
<b>Income before income taxes</b>	573,327	5	373,621	3
<b>Income tax expenses</b>	176,698	1	66,428	1
<b>Net income</b>	<b>\$ 396,629</b>	<b>4</b>	<b>307,193</b>	<b>2</b>
<b>Attributable to:</b>				
Equity holders of the parent company	397,590	4	308,567	2
Minority interest	(961)	-	(1,374)	-
	<b>\$ 396,629</b>	<b>4</b>	<b>307,193</b>	<b>2</b>
<b>Earning per share(in New Taiwan dollars)</b>				
Basic earnings per share	<b>\$ 1.13</b>	<b>0.78</b>	<b>\$ 0.79</b>	<b>0.65</b>
Diluted earnings per share	<b>\$ 1.08</b>	<b>0.75</b>	<b>\$ 0.78</b>	<b>0.64</b>