

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

Assets	September 30, 2012		September 30, 2011		Liabilities and Stockholders' Equity	September 30, 2012		September 30, 2011	
	Amount	%	Amount	%		Amount	%	Amount	%
<b>Current assets :</b>					<b>Current liabilities :</b>				
Cash and cash equivalents	\$ 2,453,981	13	\$ 2,372,586	13	Short-term borrowings	\$ 1,328,000	7	\$ 1,254,922	7
Financial assets at fair value through profit or loss - current	65,257	-	1	-	Accounts payable	5,555,457	29	5,319,796	30
Notes and accounts receivable, net	4,325,410	23	2,970,015	17	Payable to related parties	7,814	-	13,779	-
Receivables from related parties	2,643,662	14	3,175,636	18	Income tax payable	85,454	1	33,339	1
Other financial assets - current	546	-	94,308	-	Accrued expenses	939,070	5	1,151,821	6
Inventories	4,823,233	25	4,743,629	27	Financial liabilities at fair value through profit or loss - current	650	-	127,316	1
Deferred income tax assets - current	5,585	-	101,885	1	Other current liabilities	448,788	2	429,482	2
Other current assets	493,468	3	107,981	1		<u>8,365,233</u>	<u>44</u>	<u>8,330,455</u>	<u>47</u>
	<u>14,811,142</u>	<u>78</u>	<u>13,566,041</u>	<u>77</u>					
<b>Funds and investments :</b>					<b>Long-term liabilities :</b>				
Other financial assets - noncurrent	34,090	-	20,754	-	Long-term loans	295,643	1	-	-
Available-for-sale financial assets - noncurrent	176,393	1	223,695	1	Financial liabilities at fair value through profit or loss - noncurrent	430	-	-	-
Financial assets carried at cost - noncurrent	9,996	-	9,996	-	Bonds payable	178,820	1	-	-
	<u>220,479</u>	<u>1</u>	<u>254,445</u>	<u>1</u>		<u>474,893</u>	<u>2</u>	<u>-</u>	<u>-</u>
<b>Property, plant and equipment :</b>					<b>Other liabilities :</b>				
Land	100,391	-	102,837	1	Accrued pension liabilities	171,603	1	144,489	1
Buildings and improvements	3,004,655	16	3,043,027	17	Deferred income tax liabilities - noncurrent	19,493	-	57,163	-
Machinery and equipment	2,217,088	11	1,868,543	10	Miscellaneous liabilities - other	382	-	366	-
Transportation, office and other equipment	303,926	2	381,465	2		<u>191,478</u>	<u>1</u>	<u>202,018</u>	<u>1</u>
	<u>5,626,060</u>	<u>29</u>	<u>5,395,872</u>	<u>30</u>	<b>Total liabilities</b>	<u>9,031,604</u>	<u>47</u>	<u>8,532,473</u>	<u>48</u>
Less: accumulated depreciation	2,094,335	11	2,067,719	12					
Prepayment for equipment and construction in progress	169,123	1	149,911	1	<b>Stockholders' equity :</b>				
	<u>3,700,848</u>	<u>19</u>	<u>3,478,064</u>	<u>19</u>	Common stock	5,169,474	27	4,756,784	27
<b>Intangible assets</b>					Advance receipts for common stock	1,045	-	-	-
Trademarks	-	-	120	-		<u>5,170,519</u>	<u>27</u>	<u>4,756,784</u>	<u>27</u>
Goodwill	134,883	1	140,913	1	Capital surplus	2,267,562	12	1,803,938	10
Land use right	108,743	-	113,721	1	Retained earnings :				
	<u>243,626</u>	<u>1</u>	<u>254,754</u>	<u>2</u>	Legal reserve	788,389	4	693,341	4
<b>Other assets :</b>					Special reserve	65,322	-	102,505	1
Deferred expenses	114,190	1	94,814	1	Unappropriated earnings	1,989,435	10	1,874,707	10
Deferred income tax assets - noncurrent	-	-	12,635	-		<u>2,843,146</u>	<u>14</u>	<u>2,670,553</u>	<u>15</u>
	<u>114,190</u>	<u>1</u>	<u>107,449</u>	<u>1</u>					
					Cumulative foreign currency translation adjustment	104,136	1	159,853	1
					Unrealized gain or loss on available-for-sale financial assets	(256,113)	(1)	(208,812)	(1)
					Treasury stock	(70,569)	-	(54,459)	-
					Minority interest	-	-	423	-
					<b>Total stockholders' equity</b>	<u>10,058,681</u>	<u>53</u>	<u>9,128,280</u>	<u>52</u>
					<b>Commitments and contingencies</b>				
<b>Total assets</b>	<u>\$ 19,090,285</u>	<u>100</u>	<u>17,660,753</u>	<u>100</u>	<b>Total liabilities and stockholders' equity</b>	<u>\$ 19,090,285</u>	<u>100</u>	<u>17,660,753</u>	<u>100</u>

**ALPHA NETWORKS INC. AND SUBSIDIARIES**

**Consolidated Statements of Income**

Years ended September 30, 2012 and 2011

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

	For The Nine Months Ended September 30			
	2012		2011	
	Amount	%	Amount	%
<b>Sales revenue</b>	\$ 19,371,327	100	\$ 18,310,318	100
<b>Cost of goods sold</b>	16,368,934	85	15,543,603	85
<b>Gross Profit</b>	3,002,393	15	2,766,715	15
<b>Operating expenses :</b>				
Selling	461,339	2	469,514	3
General and administrative	588,445	3	572,332	3
Research and development	1,111,472	6	1,080,146	6
	2,161,256	11	2,121,992	12
<b>Operating income</b>	841,137	4	644,723	3
<b>Non-operating income and gains:</b>				
Interest income	18,781	-	17,047	-
Dividend income	10,840	-	-	-
Foreign currency exchange gain, net	-	-	212,573	1
Gain on valuation of financial assets	123,479	1	-	-
Other income, net	23,153	-	48,671	1
	176,253	1	278,291	2
<b>Non-operating expenses and losses:</b>				
Interest expenses	51,744	-	36,995	-
Foreign currency exchange loss, net	205,232	1	-	-
Loss on valuation of financial assets	-	-	106,966	1
Impairment loss	12,833	-	-	-
Other loss, net	8,018	-	11,944	-
	277,827	1	155,905	1
<b>Income before income taxes</b>	739,563	4	767,109	4
<b>Income tax expenses</b>	200,173	1	141,253	1
<b>Net income</b>	<b>\$ 539,390</b>	<b>3</b>	<b>625,856</b>	<b>3</b>
<b>Attributable to:</b>				
Equity holders of the parent company	540,918	3	628,082	3
Minority interest	(1,528)	-	(2,226)	-
	<b>\$ 539,390</b>	<b>3</b>	<b>625,856</b>	<b>3</b>

Earning per share(in New Taiwan dollars)	Before taxes	After taxes	Before taxes	After taxes
	Basic earnings per share	\$ 1.45	1.06	\$ 1.63
Diluted earnings per share	\$ 1.40	1.02	\$ 1.60	1.30