

English Translations of Financial Statements Originally Issued in Chinese
ASUSTEK COMPUTER INC.
NON-CONSOLIDATED STATEMENTS OF INCOME
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2005 AND 2004
(Expressed in New Taiwan Thousand Dollars except for Earnings Per Share)

	Notes	2005	2004
SALES REVENUES	IV.16,V	\$37,836,583	\$34,863,890
COSTS OF SALES	IV.17,V	<u>(30,868,584)</u>	<u>(29,113,868)</u>
GROSS PROFIT		6,967,999	5,750,022
LESS: UNREALIZED GROSS PROFIT	II,IV.6	(335,290)	(342,412)
ADD: REALIZED GROSS PROFIT	II,IV.6	<u>439,679</u>	<u>651,475</u>
REALIZED GROSS PROFIT		7,072,388	6,059,085
OPERATING EXPENSES	IV.17,V	<u>(4,696,252)</u>	<u>(3,516,729)</u>
OPERATING INCOME		<u>2,376,136</u>	<u>2,542,356</u>
NON-OPERATING INCOMES AND GAINS			
Interest income		208,748	104,387
Investment income	II	6,036,454	4,853,610
Gain on disposal of property and equipment	II,V	3,030	6,971
Gain on disposal of short-term investments	II	16,301	24,180
Gain on disposal of long-term investments	II	1,891	8,676
Gain on physical inventory		-	22
Others	V	<u>285,472</u>	<u>194,703</u>
Total		<u>6,551,896</u>	<u>5,192,549</u>
NON-OPERATING EXPENSES AND LOSSES			
Interest expense		1,618	1,897
Loss on disposal of property and equipment	II,V	5,251	1,364
Loss on foreign exchange	II	90,351	105,338
Others	V	<u>127,056</u>	<u>138,167</u>
Total		<u>224,276</u>	<u>246,766</u>
INCOME BEFORE INCOME TAX		8,703,756	7,488,139
INCOME TAX EXPENSE	II,IV.18	<u>(235,930)</u>	<u>(143,329)</u>
NET INCOME		<u>\$8,467,826</u>	<u>\$7,344,810</u>
EARNINGS PER SHARE	IV.19		
Primary Earnings Per Share			
Income before income tax		<u>\$3.41</u>	<u>\$2.93</u>
Net income		<u>\$3.32</u>	<u>\$2.88</u>
Fully Diluted Earnings Per Share			
Income before income tax		<u>\$3.24</u>	<u>\$2.80</u>
Net income		<u>\$3.16</u>	<u>\$2.75</u>

The accompanying notes are an integral part of the financial statements.

English Translations of Financial Statements Originally Issued in Chinese
ASUSTEK COMPUTER INC.
NON-CONSOLIDATED BALANCE SHEETS
JUNE 30, 2005 AND 2004
(Expressed in New Taiwan Thousand Dollars)

ASSETS	Notes	2005	2004	LIABILITIES AND STOCKHOLDERS' EQUITY	Notes	2005	2004
CURRENT ASSETS				CURRENT LIABILITIES			
Cash and cash equivalents	II,IV.1	\$12,473,844	\$19,084,459	Short-term loans	IV.10	\$34,785	\$51,087
Short-term investments	II,IV.2	14,529,568	10,039,637	Notes payable	V	374,781	419,001
Notes receivable-Net	II,IV.3	302	18,424	Accounts payable		7,305,924	7,271,324
Accounts receivable-Net	II,IV.3	4,006,981	3,934,685	Accounts payable-affiliated company-Net	V	2,617,071	146,868
Accounts receivable-affiliated company-Net	II,IV.3, V	3,097,170	4,658,992	Income tax payable	II,IV.18	1,424,079	800,176
Other receivable	II,IV.4	377,550	196,580	Accrued expenses	II,V	2,501,269	2,512,513
Other receivable-affiliated company-Net	II,IV.4, V	3,511,554	2,398	Other payables	V	4,439,361	4,461,320
Inventories-Net	II,IV.5	10,626,639	10,862,711	Receipts in advance	V	1,327,943	1,240,083
Prepayments	V	172,545	51,254	Other current liabilities		113,249	54,389
Other current assets	VI	180,151	177,422	Total Current Liabilities		<u>20,138,462</u>	<u>16,956,761</u>
Deferred income tax assets-current	II,IV.18	380,498	115,563				
Total Current Assets		<u>49,356,802</u>	<u>49,142,125</u>	LONG-TERM DEBT			
				Bonds payable	II,IV.11	10,059,455	10,831,149
LONG-TERM INVESTMENTS				Total Long-term Debt		<u>10,059,455</u>	<u>10,831,149</u>
Long-term investments by equity method	II,IV.6	58,092,841	46,938,093	OTHER LIABILITIES			
Long-term investments by cost method		185,535	192,520	Deposits received	V	15,105	6,444
Total Long-term Investments		<u>58,278,376</u>	<u>47,130,613</u>	Deferred credits	II,IV.6	585,064	703,271
				Total Other Liabilities		<u>600,169</u>	<u>709,715</u>
PROPERTY, PLANT AND EQUIPMENT				Total Liabilities		<u>30,798,086</u>	<u>28,497,625</u>
Land	II,IV.7, V	3,090,708	3,252,456	STOCKHOLDERS' EQUITY			
Buildings and equipment		4,380,450	4,510,264	Capital stock	IV.12	25,529,140	22,817,400
Machinery and equipment		1,978,775	1,919,091	Dividends to be distributed	IV.12	3,082,914	2,711,740
Instrument equipment		885,273	581,430	Additional paid-in capital	IV.13		
Transportation equipment		40,986	39,560	Premium on capital stock		6,945,408	6,945,408
Office equipment		20,938	19,229	Treasury stock transactions		617	617
Miscellaneous equipment		485,149	319,767	Total additional paid-in capital		<u>6,946,025</u>	<u>6,946,025</u>
Warehousing equipment		37,877	37,135				
Total Costs		10,920,156	10,678,932	Retained earnings		10,852,599	9,342,707
Less: Accumulated depreciation		(2,103,922)	(1,808,624)	Legal reserve	IV.14	2,529,690	41,369
Add: Prepayments on purchase of equipment		88,804	185,481	Special reserve	IV.15	40,887,988	36,073,152
Property, Plant and Equipment-Net		<u>8,905,038</u>	<u>9,055,789</u>	Unappropriated earnings	IV.15	54,270,277	45,457,228
				Total retained earnings			
OTHER ASSETS				Other adjustments of stockholders' equity			
Assets held for lease	IV.8	251,868	-	Translation adjustments	II	(2,655,062)	(247,214)
Refundable deposits	V,VI	235,774	145,930	Total other adjustments of stockholders' equity		<u>(2,655,062)</u>	<u>(247,214)</u>
Deferred charges	II	791,258	522,317				
Accounts receivable-overdue	IV.9	55,627	10,398	Total Stockholders' Equity		<u>87,173,294</u>	<u>77,685,179</u>
Long-term accounts receivable-affiliated company	II,IV.3, V	9,579	-				
Deferred income tax assets-noncurrent	II,IV.18	4,017	2,384	TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY			
Others	V	83,041	173,248			<u>\$117,971,380</u>	<u>\$106,182,804</u>
Total Other Assets		<u>1,431,164</u>	<u>854,277</u>				
TOTAL ASSETS		<u>\$117,971,380</u>	<u>\$106,182,804</u>				

The accompanying notes are an integral part of the financial statements.

English Translations of Financial Statements Originally Issued in Chinese
ASUSTEK COMPUTER INC.
NON-CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2005 AND 2004
(Expressed in New Taiwan Thousand Dollars)

	2005	2004		2005	2004
CASH FLOWS FROM OPERATING ACTIVITIES:			CASH FLOWS FROM INVESTING ACTIVITIES:		
Net income	\$8,467,826	\$7,344,810	Purchases of long-term investments	(2,277,182)	-
Adjustments to reconcile net income to net cash provided by/(used in) operating activities:			Proceeds from disposal of long-term investments	-	29,068
Exchange losses from foreign currency deposits transaction	(33,403)	(79,649)	(Increase)/Decrease in refundable deposits	142	2,944
Depreciation	313,108	274,081	(Increase)/Decrease in deferred charges	(339,737)	(223,608)
Amortization	180,907	147,561	Proceeds from disposal of property, plant and equipment	2,755	-
Investment income under equity method	(6,036,454)	(4,853,610)	Purchase of property, plant and equipment	(530,127)	(924,220)
Other expense of assets leased to others	1,029	-	Proceeds from disposal of deferred charges	18,841	38,391
Gain on disposal of investment under equity method	(1,891)	(8,676)	(Increase)/Decrease in other assets	(30,918)	(130,683)
Exchange gain on disposal of long-term investment	(783)	-	Net cash used in investing activities	<u>(3,156,226)</u>	<u>(1,208,108)</u>
Gain on disposal of property and equipment	(2,646)	(6,971)	CASH FLOWS FROM FINANCING ACTIVITIES:		
Loss on obsolescence of property and equipment	5,149	1,364	Increase/(Decrease) in short-term loans	34,785	51,087
Loss on disposal of property and equipment	(384)	-	Proceeds from issue of convertible bonds	-	10,876,512
Gain on disposal of deferred charges	102	-	Increase/(Decrease) in deposits received	7,526	(4,970)
Loss on obsolescence of property and equipment	3,964	-	Net cash provided by financing activities	<u>42,311</u>	<u>10,922,629</u>
Property and equipment transferred to other accounts	334,553	-			
Property and equipment transferred to lease accounts	(161,748)	-	Effects of changes in exchange rate	33,403	79,649
Other accounts transferred to property and equipment	-	(299,252)			
Amortization of premium on bonds payable	(5,183)	(4,974)	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(390,079)	7,212,331
Gain on foreign exchange of bonds payable	(28,800)	(3,200)	CASH AND CASH EQUIVALENTS, BEGINNING OF THE PERIOD	<u>12,863,923</u>	<u>11,872,128</u>
Changes in operating assets and liabilities:			CASH AND CASH EQUIVALENTS, END OF THE PERIOD	<u>\$12,473,844</u>	<u>\$19,084,459</u>
(Increase)/Decrease in short-term investments for trading purpose	(1,322,499)	(5,187,180)	SUPPLEMENTAL DISCLOSURES OF CASH FLOWS		
(Increase)/Decrease in notes receivable-net	17,027	50,293	INFORMATION:		
(Increase)/Decrease in accounts receivable-net	713,529	279,967	Cash paid during the period for:		
(Increase)/Decrease in accounts receivable-affiliated company-net	1,605,716	1,653,108	Interest	<u>\$1,618</u>	<u>\$1,896</u>
(Increase)/Decrease in other receivable	(101,030)	67,837	Income tax	<u>\$499,727</u>	<u>\$81,997</u>
(Increase)/Decrease in other receivable-affiliated company-net	1,304,746	186,461	INVESTING AND FINANCING ACTIVITIES NOT AFFECTING		
(Increase)/Decrease in inventories-net	(1,266,022)	(732,784)	CASH FLOWS :		
(Increase)/Decrease in prepayments	(62,096)	22,031	Bonus appropriated to employees, directors, supervisors,		
(Increase)/Decrease in other current assets (not including pledged time deposits)	(44,879)	6,455	and cash dividend appropriated to stockholders	<u>\$4,239,629</u>	<u>\$3,882,531</u>
(Increase)/Decrease in deferred income tax assets-current	(233,564)	(59,249)	Share swap for long-term investments under cost method	<u>\$4,445</u>	<u>\$-</u>
(Increase)/Decrease in deferred income tax assets-noncurrent	(392)	438			
(Increase)/Decrease in accounts receivable-overdue	316	-			
(Increase)/Decrease in long-term accounts receivable-affiliated company	113,685	-			
Increase/(Decrease) in notes payable	(406,821)	(509,232)			
Increase/(Decrease) in accounts payable	(1,895,636)	(938,020)			
Increase/(Decrease) in accounts payable-affiliated company-net	2,617,071	137,852			
Increase/(Decrease) in accrued expenses	(549,471)	(139,428)			
Increase/(Decrease) in other payables	(232,827)	229,492			
Increase/(Decrease) in receipts in advance	(218,704)	57,617			
Increase/(Decrease) in other current liabilities	(218,611)	183			
Increase/(Decrease) in income tax payable	(29,841)	120,143			
Increase/(Decrease) in compensating interest receivable	(37,795)	(37,189)			
Amortization of deferred issuing cost of bonds	7,575	6,944			
Increase/(Decrease) in deferred credits	(104,390)	(309,062)			
Net cash provided by/(used in) operating activities	<u>2,690,433</u>	<u>(2,581,839)</u>			

The accompanying notes are an integral part of the financial statements.

English Translations of Financial Statements Originally Issued in Chinese
ASUSTEK COMPUTER INC.
NON-CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2005 AND 2004
(Expressed in New Taiwan Thousand Dollars)

	Notes	Capital Stock	Dividends To Be Distributed	Additional Paid-in Capital	Retained Earnings			Translation Adjustments	Total
					Legal Reserve	Special Reserve	Unappropriated Earnings		
Balance, January 1, 2004		\$22,817,400	\$-	\$6,950,171	\$8,185,673	\$-	\$36,615,257	(\$41,369)	\$74,527,132
Appropriations and distributions of 2003 earnings:									
Legal reserve	IV.14				1,157,034		(1,157,034)		-
Special reserve	IV.15					41,369	(41,369)		-
Employees bonus	IV.15						(379,019)		(379,019)
Transfer of employees bonus to capital	IV.12,IV.15		430,000				(430,000)		-
Transfer of stock dividends to capital	IV.12,IV.15		2,281,740				(2,281,740)		-
Cash dividends							(3,422,610)		(3,422,610)
Bonus paid to directors and supervisors	IV.15						(80,902)		(80,902)
Translation adjustments	II							(205,845)	(205,845)
Effect of changes of the investee companies' equity				(4,146)			(94,241)		(98,387)
Net income for the six-month ended June 30, 2004							7,344,810		7,344,810
Balance, June 30, 2004		<u>\$22,817,400</u>	<u>\$2,711,740</u>	<u>\$6,946,025</u>	<u>\$9,342,707</u>	<u>\$41,369</u>	<u>\$36,073,152</u>	<u>(\$247,214)</u>	<u>\$77,685,179</u>
Balance, January 1, 2005		\$25,529,140	\$-	\$6,946,025	\$9,342,707	\$41,369	\$43,740,918	(\$2,529,690)	\$83,070,469
Appropriations and distributions of 2004 earnings:									
Legal reserve	IV.14				1,509,892		(1,509,892)		-
Special reserve	IV.15					2,488,321	(2,488,321)		-
Employees bonus	IV.15						(324,780)		(324,780)
Transfer of employees bonus to capital	IV.12,IV.15		530,000				(530,000)		-
Transfer of stock dividends to capital	IV.12,IV.15		2,552,914				(2,552,914)		-
Cash dividends							(3,829,371)		(3,829,371)
Bonus paid to directors and supervisors	IV.15						(85,478)		(85,478)
Translation adjustments	II							(125,372)	(125,372)
Net income for the six-month ended June 30, 2005							8,467,826		8,467,826
Balance, June 30, 2005		<u>\$25,529,140</u>	<u>\$3,082,914</u>	<u>\$6,946,025</u>	<u>\$10,852,599</u>	<u>\$2,529,690</u>	<u>\$40,887,988</u>	<u>(\$2,655,062)</u>	<u>\$87,173,294</u>

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