

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, 2006 AND 2005(Restated)
(Expressed in New Taiwan Thousand Dollars except for Earnings Per Share)

	<u>Notes</u>	<u>2006</u>	<u>2005(Restated)</u>
SALES REVENUES	V	\$142,764,577	\$37,836,583
COSTS OF SALES	IV.18,V	(133,856,574)	(30,868,584)
GROSS PROFIT		8,908,003	6,967,999
LESS: UNREALIZED GROSS PROFIT	II,IV.8	(383,515)	(335,290)
ADD: REALIZED GROSS PROFIT	II,IV.8	426,204	439,679
REALIZED GROSS PROFIT		8,950,692	7,072,388
OPERATING EXPENSES	IV.18,V	(7,139,171)	(4,696,252)
OPERATING INCOME		<u>1,811,521</u>	<u>2,376,136</u>
 NON-OPERATING INCOMES AND GAINS	 V		
Interest income		227,343	208,748
Investment income	II,IV.8	5,150,739	6,317,326
Gain on disposal of property and equipment		19,633	3,030
Gain on disposal of investments		86,742	18,192
Gain on foreign exchange		683,656	-
Others		745,904	285,472
Total		<u>6,914,017</u>	<u>6,832,768</u>
 NON-OPERATING EXPENSES AND LOSSES	 V		
Interest expense		-	1,618
Loss on disposal of property and equipment		1,251	5,251
Loss on inventories		11,569	-
Loss on foreign exchange		-	90,351
Loss on financial assets evaluated		8,320	-
Others		5,708	127,056
Total		<u>26,848</u>	<u>224,276</u>
 INCOME BEFORE INCOME TAX		8,698,690	8,984,628
INCOME TAX EXPENSE	II,IV.19	(1,590,318)	(235,930)
INCOME FROM CONTINUING OPERATIONS		\$7,108,372	\$8,748,698
EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES	II	8,903	-
NET INCOME		<u>\$7,117,275</u>	<u>\$8,748,698</u>
 PRIMARY EARNINGS PER SHARE	 IV.20		
INCOME FROM CONTINUING OPERATIONS		\$2.35	\$2.98
EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES		0.00	-
NET INCOME		<u>\$2.35</u>	<u>\$2.98</u>
 DILUTED EARNINGS PER SHARE			
INCOME FROM CONTINUING OPERATIONS		\$2.23	\$2.84
EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES		0.00	-
NET INCOME		<u>\$2.23</u>	<u>\$2.84</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, 2006 AND 2005(Restated)
(Expressed in New Taiwan Thousand Dollars)

ASSETS	Notes	2006	2005(Restated)	LIABILITIES AND STOCKHOLDERS' EQUITY	Notes	2006	2005(Restated)
CURRENT ASSETS				CURRENT LIABILITIES			
Cash and cash equivalents	II,IV.1	\$8,404,947	\$12,473,844	Short-term loans	IV.12	\$-	\$34,785
Financial assets at fair value through profit or loss-current	II,IV.2	1,073,397	14,529,568	Notes payable	V	280,905	374,781
Notes receivable-Net	II,IV.3	37	302	Accounts payable		44,368,294	7,305,924
Accounts receivable-Net	II,IV.3	24,655,674	4,006,981	Accounts payable-affiliated company-Net	II,V	13,513,411	2,617,071
Accounts receivable-affiliated company-Net	II,IV.3, V	20,804,312	3,097,170	Income tax payable	II,IV.19	2,184,685	1,424,079
Other receivable	II,IV.4	961,910	377,550	Accrued expenses	II,V	11,040,356	2,501,269
Other receivable-affiliated company-Net	II,IV.4, V	121,705	3,511,554	Other payables	V	4,085,149	4,439,361
Inventories-Net	II,IV.5	49,352,761	10,626,639	Receipts in advance	V	2,650,185	1,327,943
Prepayments	V	165,085	172,545	Other current liabilities		65,698	113,249
Other current assets	VI	3,606	180,151	Total Current Liabilities		78,188,683	20,138,462
Deferred income tax assets-current	II,IV.19	241,919	380,498				
Total Current Assets		<u>105,785,353</u>	<u>49,356,802</u>	LONG-TERM DEBT			
				Bonds payable	II,IV.13	6,619,342	10,059,455
				Total Long-term Debt		6,619,342	10,059,455
LONG-TERM INVESTMENTS				OTHER LIABILITIES			
Available-for-sale financial assets-noncurrent	II,IV.6	6,491,813	163,147	Deposits received	V	15,140	15,105
Financial assets evaluated by cost method-noncurrent	II,IV.7	1	22,388	Deferred credits	II,IV.8	585,992	585,064
Long-term investments evaluated by equity method	II,IV.8	80,130,932	65,516,385	Deferred income tax liabilities-noncurrent	II,IV.19	661,046	-
Total Long-term Investments		<u>86,622,746</u>	<u>65,701,920</u>	Total Other Liabilities		1,262,178	600,169
				Total Liabilities		86,070,203	30,798,086
PROPERTY, PLANT AND EQUIPMENT				STOCKHOLDERS' EQUITY			
Land	II,IV.9	3,090,708	3,090,708	Capital stock	IV.14	30,400,638	26,252,978
Buildings and equipment		4,373,475	4,380,450	Dividends to be distributed	IV.14	3,670,064	3,082,914
Machinery and equipment		1,747,046	1,978,775	Additional paid-in capital	IV.15		
Instrument equipment		1,099,344	885,273	Premium on capital stock		17,813,532	12,748,783
Transportation equipment		37,829	40,986	Premium on conversion of bonds		3,111,797	-
Office equipment		20,715	20,938	Treasury stock transactions		617	617
Miscellaneous equipment		533,155	485,149	Others		982,217	-
Warehousing equipment		36,512	37,877	Total additional paid-in capital		21,908,163	12,749,400
Total Costs		10,938,784	10,920,156	Retained earnings			
Less: Accumulated depreciation		(2,517,579)	(2,103,922)	Legal reserve	IV.16	12,580,095	10,852,599
Add: Prepayments on purchase of equipment		320,833	88,804	Special reserve	IV.17	614,571	2,529,690
Property, Plant and Equipment-Net		<u>8,742,038</u>	<u>8,905,038</u>	Unappropriated earnings	IV.17	48,059,871	42,048,358
				Total retained earnings		61,254,537	55,430,647
OTHER ASSETS				Other adjustments of stockholders' equity			
Assets held for lease	IV.10	250,636	251,868	Translation adjustments	II	(1,393,987)	(2,786,471)
Refundable deposits	V,VI	270,110	235,774	Unrealized profit/(loss) of financial assets	II	966,535	(132,630)
Deferred charges	II	977,068	791,258	Total other adjustments of stockholders' equity		(427,452)	(2,919,101)
Accounts receivable-overdue	II,IV.11,VII.5	48,218	55,627	Total Stockholders' Equity		116,805,950	94,596,838
Long-term accounts receivable-affiliated company	II,IV.3, V	37,238	9,579				
Deferred income tax assets-noncurrent	II,IV.19	-	4,017				
Others		142,746	83,041				
Total Other Assets		<u>1,726,016</u>	<u>1,431,164</u>				
TOTAL ASSETS		<u>\$202,876,153</u>	<u>\$125,394,924</u>	TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		<u>\$202,876,153</u>	<u>\$125,394,924</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, 2006 AND 2005(Restated)
(Expressed in New Taiwan Thousand Dollars)

	<u>2006</u>	<u>2005(Restated)</u>		<u>2006</u>	<u>2005(Restated)</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			CASH FLOWS FROM INVESTING ACTIVITIES:		
Net income	\$7,117,275	\$8,748,698	Purchases of investments	(5,508,951)	(2,277,182)
Adjustments to reconcile net income to net cash provided by operating activities:			Proceeds from disposal of investments	36,909	-
Exchange gain from foreign currency deposits transaction	(48,811)	(33,403)	(Increase)/Decrease in refundable deposits	69,838	142
Depreciation	321,240	313,108	(Increase)/Decrease in deferred charges	(328,491)	(339,737)
Amortization	237,171	180,907	Proceeds from disposal of deferred charges	169	2,755
Investment income under equity method	(5,150,739)	(6,317,326)	Purchase of property, plant and equipment	(506,458)	(530,127)
Cash dividends under equity method	1,633,280	-	Proceeds from disposal of property, plant and equipment	76,087	18,841
Other expense of assets leased to others	1,059	1,029	(Increase)/Decrease in other assets	(62,550)	(30,918)
Gain on disposal of investment	(49,855)	(1,891)	Net cash used in investing activities	(6,223,447)	(3,156,226)
Exchange gain on disposal of investment	(5,800)	(783)			
Gain on disposal of property and equipment	(18,206)	(2,646)	CASH FLOWS FROM FINANCING ACTIVITIES:		
Loss on disposal of property and equipment	914	5,149	Increase/(Decrease) in short-term loans	(120)	34,785
Gain on disposal of deferred charges	-	(384)	Increase/(Decrease) in deposits received	(12)	7,526
Loss on disposal of deferred charges	337	102	Net cash (used in)/provided by financing activities	(132)	42,311
Loss on obsolescence of property and equipment	830	3,964			
Property and equipment transferred to other accounts	103,751	334,553			
Property and equipment transferred to lease assets	-	(161,748)	Effects of changes in exchange rate	48,811	33,403
Deferred charges transferred to other accounts	10,943	-			
Amortization of premium on bonds payable	(4,219)	(5,183)			
Gain on foreign exchange of bonds payable	(165,737)	(28,800)			
Changes in operating assets and liabilities:			NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(2,169,205)	(390,079)
(Increase)/Decrease in financial assets at fair value through profit or loss-current	8,023,983	(1,322,499)	CASH AND CASH EQUIVALENTS, BEGINNING OF THE PERIOD	10,574,152	12,863,923
(Increase)/Decrease in notes receivable-net	3,224	17,027	CASH AND CASH EQUIVALENTS, END OF THE PERIOD	\$8,404,947	\$12,473,844
(Increase)/Decrease in accounts receivable-net	840,145	713,529			
(Increase)/Decrease in accounts receivable-affiliated company-net	1,288,641	1,605,716	SUPPLEMENTAL DISCLOSURES OF CASH FLOWS INFORMATION:		
(Increase)/Decrease in other receivable	(41,473)	(101,030)	Cash paid during the period for:		
(Increase)/Decrease in other receivable-affiliated company-net	2,166,319	1,304,746	Interest	\$-	\$1,618
(Increase)/Decrease in inventories-net	(2,567,117)	(1,266,022)	Income tax	\$1,749,753	\$499,727
(Increase)/Decrease in prepayments	(23,375)	(62,096)			
(Increase)/Decrease in other current assets (not including pledged time deposits)	108,582	(44,879)	INVESTING AND FINANCING ACTIVITIES NOT AFFECTING CASH FLOWS :		
(Increase)/Decrease in deferred income tax assets-current	(59,382)	(233,564)	The retroactive adjustments under pooling method for acquisition	\$5,462,853	\$7,142,672
(Increase)/Decrease in deferred income tax liabilities-noncurrent	257,096	(392)	Bonds payable converted to capital stock	\$3,270,951	\$-
(Increase)/Decrease in accounts receivable-overdue	6,972	316	Bonus appropriated to employees, directors, supervisors, and cash dividend appropriated to stockholders	\$3,785,878	\$4,239,629
(Increase)/Decrease in long-term accounts receivable-affiliated company	(35,231)	113,685	Share swap for financial assets evaluated by cost method-noncurrent	\$3,186	\$4,445
Increase/(Decrease) in notes payable	(135,395)	(406,821)			
Increase/(Decrease) in accounts payable	2,941,055	(1,895,636)			
Increase/(Decrease) in accounts payable-affiliated company-net	(17,351,217)	2,617,071			
Increase/(Decrease) in accrued expenses	4,785,839	(549,471)			
Increase/(Decrease) in other payables	(311,583)	(232,827)			
Increase/(Decrease) in receipts in advance	591,028	(218,704)			
Increase/(Decrease) in other current liabilities	(54,637)	(218,611)			
Increase/(Decrease) in income tax payable	(357,149)	(29,841)			
Increase/(Decrease) in compensating interest receivable	(16,940)	(37,795)			
Amortization of deferred issuing cost of bonds	5,434	7,575			
Increase/(Decrease) in deferred credits	(42,689)	(104,390)			
Net cash provided by/(used in) operating activities	4,005,563	2,690,433			

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, 2006 AND 2005(Restated)
(Expressed in New Taiwan Thousand Dollars)

	Capital Stock	Dividends To Be Distributed	Additional Paid-in Capital	Retained Earnings			Unrealized profit/(loss) of financial assets	Translation Adjustments	Total
				Legal Reserve	Special Reserve	Unappropriated Earnings			
Balance, January 1, 2005	\$25,529,140	\$-	\$6,946,025	\$9,342,707	\$41,369	\$43,740,918	\$-	(\$2,529,690)	\$83,070,469
The retroactive adjustments under pooling method for acquisition	656,021	-	5,358,889	-	-	1,304,406	(127,698)	(90,243)	7,101,375
Balance, January 1, 2005(Restated)	26,185,161	-	12,304,914	9,342,707	41,369	45,045,324	(127,698)	(2,619,933)	90,171,844
Appropriations and distributions of 2004 earnings:									
Legal reserve				1,509,892		(1,509,892)			-
Special reserve					2,488,321	(2,488,321)			-
Employees bonus						(324,780)			(324,780)
Transfer of employees bonus to capital		530,000				(530,000)			-
Transfer of stock dividends to capital		2,552,914				(2,552,914)			-
Cash dividends						(3,829,371)			(3,829,371)
Bonus paid to directors and supervisors						(85,478)			(85,478)
Translation adjustments								(125,372)	(125,372)
The retroactive adjustments under pooling method for acquisition	67,817		444,486			(424,908)	(4,932)	(41,166)	41,297
Net income for the six-month ended June 30, 2005(Restated)						8,748,698			8,748,698
Balance, June 30, 2005	\$26,252,978	\$3,082,914	\$12,749,400	\$10,852,599	\$2,529,690	\$42,048,358	(\$132,630)	(\$2,786,471)	\$94,596,838
Balance, January 1, 2006	\$29,245,209	\$-	\$12,435,714	\$10,852,599	\$2,529,690	\$49,583,210	\$-	(\$614,571)	\$104,031,851
The retroactive adjustments under pooling method for acquisition	724,873	-	6,059,860	-	-	(1,372,295)	(86,977)	(22,468)	5,302,993
Balance, January 1, 2006(Restated)	29,970,082	-	18,495,574	10,852,599	2,529,690	48,210,915	(86,977)	(637,039)	109,334,844
Appropriations and distributions of 2005 earnings:									
Legal reserve				1,727,496		(1,727,496)			-
Special reserve					(1,915,119)	1,915,119			-
Employees bonus						(620,740)			(620,740)
Transfer of employees bonus to capital		630,000				(630,000)			-
Transfer of stock dividends to capital		3,040,064				(3,040,064)			-
Cash dividends						(3,040,064)			(3,040,064)
Bonus paid to directors and supervisors						(125,074)			(125,074)
The retroactive adjustments under pooling method for acquisition	11,756		148,104						159,860
Conversion of bonds payable	418,800		2,852,151						3,270,951
Effect of changes of the investee companies' equity			412,334						412,334
Translation adjustments								(756,948)	(756,948)
Unrealized profit/(loss) of financial assets							1,053,512		1,053,512
Net income for the six-month ended June 30, 2006						7,117,275			7,117,275
Balance, June 30, 2006	\$30,400,638	\$3,670,064	\$21,908,163	\$12,580,095	\$614,571	\$48,059,871	\$966,535	(\$1,393,987)	\$116,805,950

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