

English Translations of Financial Statements Originally Issued in Chinese
ASUSTEK COMPUTER INC.
NON-CONSOLIDATED STATEMENTS OF INCOME (Unaudited)
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 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>
NET SALES	V	\$234,123,975	\$94,213,368
COST OF SALES	IV.18,V	(216,634,400)	(80,559,756)
GROSS PROFIT		17,489,575	13,653,612
LESS: UNREALIZED GROSS PROFIT	II,IV.8	(741,563)	(296,046)
ADD: REALIZED GROSS PROFIT	II,IV.8	426,204	439,679
REALIZED GROSS PROFIT		17,174,216	13,797,245
OPERATING EXPENSES	IV.18,V	(11,636,790)	(7,963,869)
OPERATING INCOME		<u>5,537,426</u>	<u>5,833,376</u>
 NON-OPERATING INCOMES AND GAINS	 V		
Interest income		319,029	305,406
Investment income	II,IV.8	8,616,319	9,099,317
Dividends income		354,447	6,426
Gain on disposal of assets		22,085	3,990
Gain on disposal of investments		130,299	53,491
Gain on physical inventory		-	83
Gain on foreign exchange		333,468	-
Others		1,322,245	521,154
Total		<u>11,097,892</u>	<u>9,989,867</u>
 NON-OPERATING EXPENSES AND LOSSES	 V		
Interest expense		31	1,621
Loss on disposal of assets		2,236	5,734
Loss on physical inventory		23,294	-
Loss on foreign exchange		-	1,248,963
Loss on financial assets evaluated		8,894	-
Others		9,019	129,493
Total		<u>43,474</u>	<u>1,385,811</u>
 INCOME BEFORE INCOME TAX		16,591,844	14,437,432
INCOME TAX EXPENSE	II,IV.19	(3,356,796)	(718,447)
INCOME FROM CONTINUING OPERATIONS		13,235,048	13,718,985
EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES	II	8,903	-
NET INCOME		<u>\$13,243,951</u>	<u>\$13,718,985</u>
 PRIMARY EARNINGS PER SHARE	 IV.20		
INCOME FROM CONTINUING OPERATIONS		\$3.90	\$4.17
EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES		0.00	-
NET INCOME		<u>\$3.90</u>	<u>\$4.17</u>
 DILUTED EARNINGS PER SHARE			
INCOME FROM CONTINUING OPERATIONS		\$3.78	\$4.09
EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES		0.00	-
NET INCOME		<u>\$3.78</u>	<u>\$4.09</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 (Unaudited)
SEPTEMBER 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	\$5,270,454	\$12,321,832	Short-term loans	IV.12	\$-	\$2,281
Financial assets at fair value through profit or loss-current	II,IV.2	330,009	10,518,343	Notes payable	V	280,260	305,295
Notes receivable-Net	II,IV.3	404	3,676	Accounts payable		62,419,760	46,528,132
Accounts receivable-Net	II,IV.3	29,148,988	20,180,396	Accounts payable-affiliated company	V	10,761,905	17,978,781
Accounts receivable-affiliated company-Net	II,IV.3, V	26,638,804	16,918,426	Income tax payable	II,IV.19	2,666,843	1,687,115
Other receivable-Net	II,IV.4	2,653,758	781,880	Accrued expenses	II,V	16,118,952	5,804,713
Other receivable-affiliated company-Net	II,IV.4, V	49,811	698,189	Other payables	V	544,123	321,254
Inventories-Net	II,IV.5	59,002,506	42,737,635	Receipts in advance	V	2,779,408	1,990,396
Prepayments	V	156,391	195,618	Other current liabilities		71,594	121,299
Other current assets	VI	3,326	111,000	Total Current Liabilities		<u>95,642,845</u>	<u>74,739,266</u>
Deferred income tax assets-current	II,IV.19	529,601	481,347				
Total Current Assets		<u>123,784,052</u>	<u>104,948,342</u>	LONG-TERM DEBT			
				Bonds payable	II,IV.13	<u>6,758,443</u>	<u>10,516,520</u>
LONG-TERM INVESTMENTS				Total Long-term Debt		<u>6,758,443</u>	<u>10,516,520</u>
Available-for-sale financial assets-noncurrent	II,IV.6	6,725,574	163,147				
Financial assets evaluated by cost method-noncurrent	II,IV.7	100,001	22,388	OTHER LIABILITIES			
Long-term investments evaluated by equity method	II,IV.8	<u>87,778,158</u>	<u>73,140,068</u>	Deposits received	V	15,173	16,787
Total Long-term Investments		<u>94,603,733</u>	<u>73,325,603</u>	Deferred credits	II,IV.8	943,387	442,630
				Deferred income tax liabilities-noncurrent	II,IV.19	<u>1,108,347</u>	<u>205,343</u>
PROPERTY, PLANT AND EQUIPMENT	II,IV.9			Total Other Liabilities		<u>2,066,907</u>	<u>664,760</u>
Land		3,090,708	3,090,708	Total Liabilities		<u>104,468,195</u>	<u>85,920,546</u>
Buildings and equipment		4,373,475	4,389,053				
Machinery and equipment		1,756,320	1,981,936	STOCKHOLDERS' EQUITY			
Instrument equipment		1,160,342	927,494	Capital stock	IV.14	<u>34,070,702</u>	<u>29,336,927</u>
Transportation equipment		40,222	41,436	Additional paid-in capital	IV.15		
Office equipment		20,716	20,938	Premium on capital stock		17,813,532	13,029,944
Miscellaneous equipment		528,936	508,445	Premium on conversion of bonds		3,111,798	-
Warehousing equipment		<u>36,512</u>	<u>37,877</u>	Treasury stock transactions		617	617
Total Costs		11,007,231	10,997,887	Others		<u>795,852</u>	<u>569,883</u>
Less: Accumulated depreciation		(2,665,342)	(2,260,279)	Total additional paid-in capital		<u>21,721,799</u>	<u>13,600,444</u>
Add: Prepayments on purchase of equipment		<u>322,114</u>	<u>96,021</u>				
Property, Plant and Equipment-Net		<u>8,664,003</u>	<u>8,833,629</u>	Retained earnings			
				Legal reserve	IV.16	12,580,095	10,852,599
OTHER ASSETS				Special reserve	IV.17	614,571	2,529,690
Assets held for lease	IV.10	250,106	252,224	Unappropriated earnings	IV.17	<u>54,186,547</u>	<u>46,628,112</u>
Refundable deposits	V,VI	269,733	310,341	Total retained earnings		<u>67,381,213</u>	<u>60,010,401</u>
Deferred charges	II	1,085,575	826,394				
Accounts receivable-overdue	II,IV.11, VII.5	24	55,627	Other adjustments of stockholders' equity			
Long-term accounts receivable-affiliated company	II,IV.3, V	321,637	31,223	Translation adjustments	II	277,782	(31,577)
Others		<u>166,447</u>	<u>128,453</u>	Unrealized profit/(loss) of financial assets	II	<u>1,225,619</u>	<u>(124,905)</u>
Total Other Assets		<u>2,093,522</u>	<u>1,604,262</u>	Total other adjustments of stockholders' equity		<u>1,503,401</u>	<u>(156,482)</u>
TOTAL ASSETS		<u>\$229,145,310</u>	<u>\$188,711,836</u>	Total Stockholders' Equity		<u>124,677,115</u>	<u>102,791,290</u>
				TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		<u>\$229,145,310</u>	<u>\$188,711,836</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(Unaudited)
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 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	\$13,243,951	\$13,718,985	Purchases of investments	(9,566,836)	(4,004,575)
Adjustments to reconcile net income to net cash provided by operating activities:			Repatriation of investment	4,159	-
Exchange gain from foreign currency deposits transaction	10,744	(51,935)	Proceeds from disposal of investments	181,586	-
Depreciation	481,854	477,055	(Increase)/Decrease in refundable deposits	70,215	(74,425)
Amortization	371,227	278,334	(Increase)/Decrease in deferred charges	(579,612)	(492,598)
Amortization of deferred issuing cost of bonds	7,889	11,364	Proceeds from disposal of deferred charges	9,256	3,426
Amortization of premium on bonds	(5,551)	(6,127)	Purchase of property, plant and equipment	(658,869)	(667,469)
Investment income under equity method	(8,616,319)	(9,099,317)	Proceeds from disposal of property, plant and equipment	77,425	23,649
Cash dividends under equity method	2,805,263	22,135	(Increase)/Decrease in other assets	(86,251)	(76,330)
Depreciation from assets held for lease	1,589	1,553	Net cash used in investing activities	<u>(10,548,927)</u>	<u>(5,288,322)</u>
Gain on disposal of investment	(84,360)	(1,891)	CASH FLOWS FROM FINANCING ACTIVITIES:		
Exchange gain on disposal of investment	(5,800)	(783)	Increase/(Decrease) in short-term loans	(120)	2,281
Gain on disposal of assets	(22,085)	(3,990)	Payments for bonus to employees, directors and supervisors	(286,659)	(304,218)
Loss on disposal of assets	2,236	5,734	Payments for cash dividends	(3,040,064)	(3,829,371)
Loss on obsolescence of property and equipment	1,651	3,973	Increase/(Decrease) in deposits received	21	9,208
Property and equipment transferred to other accounts	171,333	390,855	Net cash used in financing activities	<u>(3,326,822)</u>	<u>(4,122,100)</u>
Property and equipment transferred to assets held for lease	-	(162,628)	Effects of changes in exchange rate	(10,744)	51,935
Deferred charges transferred to other accounts	10,943	-	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(5,303,698)	(542,091)
(Gain)/Loss on foreign exchange of bonds payable	(14,230)	454,400	CASH AND CASH EQUIVALENTS, BEGINNING OF THE PERIOD	10,574,152	12,863,923
Changes in operating assets and liabilities:			CASH AND CASH EQUIVALENTS, END OF THE PERIOD	<u>\$5,270,454</u>	<u>\$12,321,832</u>
(Increase)/Decrease in financial assets at fair value through profit or loss-current	8,767,371	2,688,726	SUPPLEMENTAL DISCLOSURES OF CASH FLOWS INFORMATION:		
(Increase)/Decrease in notes receivable-net	2,857	13,653	Cash paid during the period for:		
(Increase)/Decrease in accounts receivable-net	(3,653,169)	(15,459,886)	Interest	\$-	\$1,621
(Increase)/Decrease in accounts receivable-affiliated company-net	(4,545,851)	(12,215,540)	Income tax	<u>\$2,874,454</u>	<u>\$612,464</u>
(Increase)/Decrease in other receivable-net	(1,733,321)	(505,360)	INVESTING AND FINANCING ACTIVITIES NOT AFFECTING CASH FLOWS :		
(Increase)/Decrease in other receivable-affiliated company-net	2,238,213	4,118,111	The retroactive adjustments under pooling method for acquisition	<u>\$5,462,853</u>	<u>\$7,591,336</u>
(Increase)/Decrease in inventories-net	(12,216,862)	(33,377,018)	Bonds payable converted to capital stock	<u>\$3,270,951</u>	<u>\$-</u>
(Increase)/Decrease in prepayments	(14,681)	(85,169)	Bonus appropriated to employees	<u>\$459,155</u>	<u>\$106,040</u>
(Increase)/Decrease in other current assets (not including pledged time deposits)	108,862	24,272	Share swap and repatriation of long-term investments	<u>\$46,960</u>	<u>\$4,445</u>
(Increase)/Decrease in deferred income tax assets-current	(347,064)	(334,413)	Payable from purchases of long-term investments	<u>\$-</u>	<u>\$15,460</u>
(Increase)/Decrease in deferred income tax assets- noncurrent	-	3,625			
(Increase)/Decrease in deferred income tax liabilities-noncurrent	704,397	205,343			
(Increase)/Decrease in accounts receivable-overdue	55,166	316			
(Increase)/Decrease in long-term accounts receivable-affiliated company	(319,630)	92,041			
(Increase)/Decrease in compensating interest receivable	(28,013)	(62,986)			
Increase/(Decrease) in notes payable	(136,040)	(476,307)			
Increase/(Decrease) in accounts payable	7,588,420	37,326,572			
Increase/(Decrease) in accounts payable-affiliated company	(6,698,622)	17,978,781			
Increase/(Decrease) in accrued expenses	9,864,435	2,753,973			
Increase/(Decrease) in other payables	(525,886)	(232,805)			
Increase/(Decrease) in receipts in advance	720,251	443,749			
Increase/(Decrease) in other current liabilities	(48,741)	(210,561)			
Increase/(Decrease) in income tax payable	125,009	233,195			
Increase/(Decrease) in deferred credits	315,359	(143,633)			
Net cash provided by operating activities	<u>8,582,795</u>	<u>8,816,396</u>			

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