

English Translations of Financial Statements Originally Issued in Chinese
ASUSTEK COMPUTER INC. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005 (Restated)
(Expressed in New Taiwan Thousand Dollars except for Earnings Per Share)

	Notes	2006	2005 (Restated)
SALES REVENUES		560,234,582	\$385,058,078
COSTS OF SALES	IV.23	(505,312,899)	(342,193,197)
GROSS PROFIT		54,921,683	42,864,881
OPERATING EXPENSES	IV.23	(34,568,937)	(24,474,933)
OPERATING INCOME		20,352,746	18,389,948
 NON-OPERATING INCOMES AND GAINS			
Interest income		1,220,717	609,354
Investment income under equity method	II, IV.9	54,371	-
Dividends income		363,871	10,791
Gain on disposal of assets	II, V	58,621	13,464
Gain on disposal of investments	II	1,231,668	348,830
Gain on foreign exchange	II	3,219,897	-
Gain on financial liabilities evaluated	II, IV.16	14,321	-
Others		3,912,528	2,519,387
Total		10,075,994	3,501,826
 NON-OPERATING EXPENSES AND LOSSES			
Interest expense	II, IV.16	448,546	411,951
Investment loss under equity method	II, IV.9	-	33,151
Loss on disposal of property and equipment	II, V	94,916	59,265
Loss on inventories		19,479	23,402
Loss on foreign exchange	II	-	466,611
Impairment loss	II	366,557	286,922
Loss on financial assets evaluated	II, IV.2	6,881	79,932
Others	II, IV.16	1,199,857	884,531
Total		2,136,236	2,245,765
 INCOME BEFORE INCOME TAX			
		28,292,504	19,646,009
INCOME TAX EXPENSE	II, IV.24	(6,611,111)	(3,348,262)
INCOME FROM CONTINUING OPERATIONS		21,681,393	16,297,747
EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES	III	34,029	-
CONSOLIDATED NET INCOME		\$21,715,422	\$16,297,747
 Represented by:			
Available for common shareholders		\$19,221,335	\$15,277,112
Available for minority shareholders		2,494,087	1,020,635
CONSOLIDATED NET INCOME		\$21,715,422	\$16,297,747
 EARNINGS PER SHARE (in New Taiwan Dollars)			
Primary Earnings Per Share	II, IV.25		
Income from continuing operations		\$6.37	\$4.95
Effect of changes in accounting principles		0.01	-
Consolidated net income		6.38	4.95
Available for minority shareholders		(0.73)	(0.31)
Available for common shareholders		\$5.65	\$4.64
 Fully Diluted Earnings Per Share			
Income from continuing operations		\$6.13	\$4.81
Effect of changes in accounting principles		0.01	-
Consolidated net income		6.14	4.81
Available for minority shareholders		(0.71)	(0.30)
Available for common shareholders		\$5.43	\$4.51

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

English Translations of Financial Statements Originally Issued in Chinese
ASUSTEK COMPUTER INC. AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 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	\$34,691,413	\$33,820,062	Short-term loans	IV.15	\$4,746,801	\$1,814,219
Financial assets at fair value through profit or loss-current	II, IV.2	9,222,714	14,229,595	Notes payable		353,464	600,831
Notes receivable-Net	II, IV.3	957,290	480,747	Accounts payable		166,506,710	86,879,604
Accounts receivable-Net	II, IV.3	131,435,079	63,438,462	Income tax payable	II, IV.24	4,902,337	3,594,237
Other receivable	II, IV.4	5,202,444	2,994,367	Accrued expenses		11,556,291	9,053,089
Inventories-Net	II, IV.5	110,087,985	71,581,450	Other payables		2,918,829	2,472,649
Prepayments		1,865,339	1,673,012	Receipts in advance		4,645,936	3,862,300
Other current assets	VI	1,569,170	833,904	Long-term loans-current portion	IV.16, IV.17	6,841,894	325,377
Deferred income tax assets-current	II, IV.24	816,096	455,526	Other current liabilities		3,669,560	2,561,314
Total Current Assets		295,847,530	189,507,125	Total Current Liabilities		206,141,822	111,163,620
LONG-TERM INVESTMENTS				LONG-TERM DEBT			
Available-for-sale financial assets-noncurrent	II, IV.6	9,030,298	5,521,172	Financial liabilities at fair value through profit or loss-noncurrent	II, IV.16	147,600	-
Held-to-maturity financial assets-noncurrent	II, IV.7	63,425	63,425	Bonds payable	II, IV.16	10,847,207	11,651,147
Financial assets evaluated by cost method-noncurrent	II, IV.8	1,131,862	804,851	Long-term loans	IV.17	1,903,014	1,780,591
Long-term investments evaluated by equity method	II, IV.9	503,851	452,777	Long-term notes payable		-	320
Total Long-term Investments		10,729,436	6,842,225	Total Long-term Debt		12,897,821	13,432,058
PROPERTY, PLANT AND EQUIPMENT				OTHER LIABILITIES			
Land	II, IV.10, V, VI	4,765,816	4,822,049	Accrued pension liabilities	II, IV.18	76,345	109,874
Buildings and equipment		14,331,801	10,046,648	Deposits received		176,148	167,258
Machinery and equipment		33,458,824	24,703,818	Deferred income tax liabilities-noncurrent	II, IV.24	1,282,323	127,462
Warehousing equipment		36,266	41,609	Deferred credit		-	1,780
Instrument equipment		3,150,552	2,477,683	Other liabilities-others		9,914	2,801
Transportation equipment		166,777	119,862	Total Other Liabilities		1,544,730	409,175
Office equipment		1,159,293	813,393	Total Liabilities		220,584,373	125,004,853
Miscellaneous equipment		3,876,044	2,321,331	STOCKHOLDERS' EQUITY			
Total Costs		60,945,373	45,346,393	Capital stock	IV.19	34,070,702	29,970,082
Less: Accumulated depreciation		(14,310,030)	(10,173,088)	Additional paid-in capital	IV.20		
Less: Accumulated impairment		(246,388)	(105,315)	Premium on capital stock		17,813,532	17,665,428
Add: Prepayments on purchase of equipment		5,809,746	3,717,905	Premium on conversion of bonds		3,110,728	259,646
Property, Plant and Equipment-Net		52,198,701	38,785,895	Treasury stock transactions		617	617
INTANGIBLE ASSETS				Stock option		1,020,705	-
Consolidation debit		47,585	55,020	Others		805,876	569,883
Deferred pension costs	II	533	-	Total additional paid-in capital		22,751,458	18,495,574
Other intangible assets	II, VI	1,222,263	1,249,729	Retained earnings			
Total Intangible Assets		1,270,381	1,304,749	Legal reserve	IV.21	12,580,095	10,852,599
OTHER ASSETS				Special reserve	IV.22	614,571	2,529,690
Assets held for lease	II, IV.11, VI	281,968	525,425	Unappropriated earnings	IV.22	60,163,931	48,210,915
Idle assets	IV.12, VI	305,125	-	Total retained earnings		73,358,597	61,593,204
Refundable deposits	VI	419,637	534,789	Other adjustments of stockholders' equity			
Deferred charges	II	2,297,470	1,657,646	Translation adjustments	II	(435,027)	(637,039)
Accounts receivable-overdue	II, IV.13, VII.5	24	55,190	Unrecognized loss on pension cost	II	(3,016)	-
Others	IV.14, VI	392,613	340,132	Unrealized profit/(loss) of financial assets	II	2,724,181	(86,977)
Total Other Assets		3,696,837	3,113,182	Total other adjustments of stockholders' equity		2,286,138	(724,016)
TOTAL ASSETS		\$363,742,885	\$239,553,176	Minority interest		10,691,617	5,213,479
				Total Stockholders' Equity		143,158,512	114,548,323
				TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		\$363,742,885	\$239,553,176

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

English Translation of Financial Statements Originally Issued in Chinese
ASUSTEK COMPUTER INC. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005 (Restated)
(Expressed in New Taiwan Thousand Dollars)

	2006	2005 (Restated)		2006	2005 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES:			CASH FLOWS FROM INVESTING ACTIVITIES:		
Net income	\$19,221,335	\$15,277,112	Purchases of investments	(782,297)	(676,815)
Adjustments to reconcile net income to net cash provided by operating activities:			Proceeds from disposal of investments	357,186	553,253
Minority interest income	2,494,087	1,020,635	Decrease/(Increase) in refundable deposits	115,152	(252,063)
Effect of change in exchange rate from foreign consolidated subsidiaries	175,865	1,990,817	Purchase of property, plant and equipment	(19,302,989)	(19,960,958)
Depreciation	4,687,330	3,361,847	Proceeds from disposal of property, plant and equipment	406,302	300,537
Amortization	1,234,851	927,328	Increase in deferred charges	(1,769,092)	(1,110,815)
Depreciation on idle assets	-	24,188	Proceeds from disposal of deferred charges	13,678	3,426
Impairment loss	366,556	286,922	Decrease in other financial assets-noncurrent	-	38,550
Investment loss/(income) under equity method	(54,371)	33,151	Decrease/(Increase) in other assets-others	(52,481)	(280,640)
Cash dividends received from the investee companies under equity method	9,078	-	Decrease/(Increase) in other intangible assets	(117,022)	(1,089,715)
Gain on disposal of investments	(510,678)	(134,683)	(Increase)/Decrease in consolidation debit	7,435	(3,604)
Exchange gain on disposal of investments	(5,800)	(6,376)	Purchase of minority interests	(32,574)	(5,135)
Loss on disposal of assets	94,916	59,265	Proceeds from disposal of shares to minority shareholders	521,773	-
Gain on disposal of assets	(58,621)	(13,464)	Net cash used in investing activities	(20,634,929)	(22,483,979)
Loss on obsolescence of property and equipment	4,797	9,018	CASH FLOWS FROM FINANCING ACTIVITIES:		
Property and equipment transferred to other accounts	369,574	912,346	(Decrease)/Increase in short-term loans	2,932,581	447,964
Other accounts transferred to property and equipment	(2,610)	-	Payments for bonus to employees, directors and supervisors	(391,896)	(374,342)
Amortization of deferred issuing cost of bonds	28,115	20,930	Payments for cash dividends	(3,455,698)	(3,951,056)
Loss on early redemption of bonds	20,378	-	Proceeds from issuance of convertible bonds	11,994,180	1,096,620
(Gain)/Loss on foreign exchange of bonds payable	(137,946)	398,722	Redemption of bonds payable	(1,444,116)	-
Amortization of discount/(premium) on bonds	28,545	(9,101)	Increase/(Decrease) in deposits received	8,890	128,576
Intangible assets transferred to other accounts	4,577	1,297	Increase/(Decrease) in long-term notes payable	(320)	(341)
Other accounts transferred to intangible assets	(1,240)	-	Repayment of long-term loans	(546,825)	-
Deferred assets transferred to other accounts	22,010	975	Increase in long-term loans	573,625	628,962
Other accounts transferred to deferred assets	(70,178)	-	Increase in subsidiaries' capital from minority shareholders	3,597,572	1,941,667
Gain on financial liabilities evaluated	(14,321)	-	Net cash provided by/(used in) financing activities	13,267,993	(81,950)
Changes in operating assets and liabilities:			Effect of changes in subsidiaries	(764,712)	13,556,558
(Increase)/Decrease in financial assets at fair value through profit or loss-current	5,006,881	781,402	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	871,351	12,517,970
(Increase)/Decrease in notes receivable-net	(476,543)	(458,407)	CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	33,820,062	21,302,092
(Increase)/Decrease in accounts receivable-net	(67,996,617)	(19,802,653)	CASH AND CASH EQUIVALENTS, END OF THE YEAR	<u>\$34,691,413</u>	<u>\$33,820,062</u>
(Increase)/Decrease in other receivable-net	(1,933,688)	(1,944,137)	SUPPLEMENTAL DISCLOSURES OF CASH FLOWS INFORMATION:		
(Increase)/Decrease in other receivable-affiliated company-net	-	2,750,169	Cash paid during the year for:		
(Increase)/Decrease in inventories-net	(38,506,535)	(24,264,259)	Interest	\$446,303	\$478,573
(Increase)/Decrease in prepayments	(192,327)	(469,193)	Income tax	<u>\$4,341,697</u>	<u>\$1,027,879</u>
(Increase)/Decrease in other current assets (not including pledged time deposits)	(735,266)	(454,403)	INVESTING AND FINANCING ACTIVITIES NOT AFFECTING CASH FLOWS :		
(Increase)/Decrease in deferred income tax assets-current	(360,570)	31,269	Bonds payable converted to capital stock	<u>\$3,387,464</u>	<u>\$296,872</u>
(Increase)/Decrease in deferred pension costs	(533)	11,413	Bonus appropriated to employees	<u>\$353,918</u>	<u>\$35,915</u>
(Increase)/Decrease in accounts receivable-overdue	55,166	753	Share swap and repatriation of long-term investments	<u>\$809,098</u>	<u>\$-</u>
(Increase)/Decrease in long-term accounts receivable-affiliated company	-	1,399,573	New shares issued to swap equities of other companies	<u>\$-</u>	<u>\$5,256,089</u>
(Increase)/Decrease in compensating interest receivable	(69,034)	(81,421)	Bonds payable-current portion	<u>\$6,841,894</u>	<u>\$325,377</u>
Increase/(Decrease) in notes payable	(247,367)	(181,482)	Acquisition of minority interest through issuing new shares by subsidiaries	<u>\$65,882</u>	<u>\$-</u>
Increase/(Decrease) in accounts payable	79,627,107	32,441,136	Financial assets evaluated by cost method-noncurrent transferred to other receivable	<u>\$274,389</u>	<u>\$-</u>
Increase/(Decrease) in accounts payable-affiliated company	-	(4,631,060)			
Increase/(Decrease) in accrued expenses	2,503,202	4,253,624			
Increase/(Decrease) in other payables-affiliated company	-	(495,597)			
Increase/(Decrease) in other payables	92,262	2,195,795			
Increase/(Decrease) in other liabilities-others	7,113	2,801			
Increase/(Decrease) in income tax payable	1,308,100	2,042,029			
Increase/(Decrease) in receipts in advance	783,636	1,468,478			
Increase/(Decrease) in other current liabilities	1,113,357	955,244			
Increase/(Decrease) in deferred income tax liabilities-noncurrent	1,154,861	357,110			
Increase/(Decrease) in compensating interest payable	1,869	13,431			
Increase/(Decrease) in deferred credits	(1,780)	1,780			
Increase/(Decrease) in accrued pension liabilities	(36,544)	(139,461)			
Net cash provided by operating activities	<u>9,002,999</u>	<u>21,527,341</u>			

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

English Translations of Financial Statements Originally Issued in Chinese
ASUSTEK COMPUTER INC. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005 (Restated)
(Expressed in New Taiwan Thousand Dollars)

	Capital Stock	Additional Paid-in Capital	Retained Earnings			Translation Adjustments	Unrecognized Loss on Pension Cost	Unrealized Profit/(Loss) of Financial Assets	Minority Interest	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)	\$-	\$185,859	\$83,256,328	
Retroactive adjustments under pooling method for acquisition	656,021	5,358,889	-	-	1,304,406	(90,243)	-	(127,698)	7,101,375	
Balance, January 1, 2005 (Restated)	26,185,161	12,304,914	9,342,707	41,369	45,045,324	(2,619,933)	-	(127,698)	90,357,703	
Adjustments for first-time inclusion of certain subsidiaries									2,401,136	
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)				-	
Bonus paid to directors and supervisors					(85,478)				(85,478)	
Transfer of stock dividends to capital	2,552,914				(2,552,914)				-	
Cash dividends					(3,829,371)				(3,829,371)	
Translation adjustments						1,915,119			1,915,119	
Effect of changes of the investee companies' equity		569,883			(111,910)				457,973	
Retroactive adjustments under pooling method for acquisition	68,852	700,971			(678,855)	67,775		40,721	199,464	
New shares issued to swap equities of other companies	595,929	4,660,160							5,256,089	
Conversion of bonds payable	37,226	259,646							296,872	
Net income for 2005 (Restated)					15,277,112			1,020,635	16,297,747	
Changes in minority interest								1,605,849	1,605,849	
Balance, December 31, 2005 (Restated)	\$29,970,082	\$18,495,574	\$10,852,599	\$2,529,690	\$48,210,915	(\$637,039)	\$-	(\$86,977)	\$5,213,479	\$114,548,323
Balance, January 1, 2006	\$29,245,209	\$12,435,714	\$10,852,599	\$2,529,690	\$49,583,210	(\$614,571)	\$-	\$-	\$5,213,479	\$109,245,330
Retroactive adjustments under pooling method for acquisition	724,873	6,059,860	-	-	(1,372,295)	(22,468)	-	(86,977)	-	5,302,993
Balance, January 1, 2006 (Restated)	29,970,082	18,495,574	10,852,599	2,529,690	48,210,915	(637,039)	-	(86,977)	5,213,479	114,548,323
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)				-	
Bonus paid to directors and supervisors					(125,074)				(125,074)	
Transfer of stock dividends to capital	3,040,064				(3,040,064)				-	
Cash dividends					(3,040,064)				(3,040,064)	
Translation adjustments						202,012			202,012	
Effect of changes of the investee companies' equity		235,993					(3,016)	(30,215)	202,762	
Retroactive adjustments under pooling method for acquisition	11,756	148,104							159,860	
Conversion of bonds payable	418,800	2,851,082							3,269,882	
Stock option for issuance of convertible bonds		1,020,705							1,020,705	
Unrealized profit/(loss) of financial assets								2,841,373	2,841,373	
Net income for 2006					19,221,335				2,494,087	
Changes in minority interest								2,984,051	2,984,051	
Balance, December 31, 2006	\$34,070,702	\$22,751,458	\$12,580,095	\$614,571	\$60,163,931	(\$435,027)	(\$3,016)	\$2,724,181	\$10,691,617	\$143,158,512

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