

English Translations of Financial Statements Originally Issued in Chinese
ASUSTEK COMPUTER INC. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME (Unaudited)
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2007 AND 2006
(Expressed in New Taiwan Thousand Dollars except for Earnings Per Share)

	Notes	2007	2006
SALES REVENUES	II	\$370,003,338	\$210,717,139
COSTS OF SALES	IV.23, V	<u>(336,676,936)</u>	<u>(189,767,962)</u>
GROSS PROFIT		33,326,402	20,949,177
OPERATING EXPENSES	IV.23	<u>(18,836,115)</u>	<u>(13,357,535)</u>
OPERATING INCOME		<u>14,490,287</u>	<u>7,591,642</u>
 NON-OPERATING INCOMES AND GAINS			
Interest income		755,281	523,398
Investment income under equity method	II, IV.10	30,220	28,048
Gain on disposal of assets	II, V	79,394	23,692
Gain on disposal of investments	II	163,961	374,432
Gain on foreign exchange	II	824,467	1,269,696
Gain on financial assets evaluated	II	27,071	1,718
Others		<u>2,706,410</u>	<u>1,272,182</u>
Total		<u>4,586,804</u>	<u>3,493,166</u>
 NON-OPERATING EXPENSES AND LOSSES			
Interest expense		283,201	231,707
Loss on disposal of assets	II, V	126,398	23,772
Loss on physical inventory		133,776	13,108
Impairment loss	II	3,207	49,393
Loss on financial liabilities evaluated	II, IV.17	18,000	-
Others		<u>674,907</u>	<u>323,900</u>
Total		<u>1,239,489</u>	<u>641,880</u>
 INCOME BEFORE INCOME TAX			
		17,837,602	10,442,928
INCOME TAX EXPENSE	II, IV.24	<u>(3,219,386)</u>	<u>(2,278,867)</u>
INCOME FROM CONTINUING OPERATIONS		14,618,216	8,164,061
EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES	III	-	30,863
CONSOLIDATED NET INCOME		<u>\$14,618,216</u>	<u>\$8,194,924</u>
 Represented by:			
Available for common shareholders		\$13,577,040	\$7,117,275
Available for minority shareholders		<u>1,041,176</u>	<u>1,077,649</u>
CONSOLIDATED NET INCOME		<u>\$14,618,216</u>	<u>\$8,194,924</u>
 EARNINGS PER SHARE (in New Taiwan Dollars)			
Primary Earnings Per Share	II, IV.25		
Income from continuing operations		\$4.28	\$2.41
Effect of changes in accounting principles		<u>-</u>	<u>0.00</u>
Consolidated net income		4.28	2.41
Available for minority shareholders		<u>(0.30)</u>	<u>(0.31)</u>
Available for common shareholders		<u>\$3.98</u>	<u>\$2.10</u>
 Fully Diluted Earnings Per Share			
Income from continuing operations		\$4.09	\$2.30
Effect of changes in accounting principles		<u>-</u>	<u>0.00</u>
Consolidated net income		4.09	2.30
Available for minority shareholders		<u>(0.29)</u>	<u>(0.30)</u>
Available for common shareholders		<u>\$3.80</u>	<u>\$2.00</u>

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 (Unaudited)
JUNE 30, 2007 AND 2006
(Expressed in New Taiwan Thousand Dollars)

ASSETS	Notes	2007	2006	LIABILITIES AND STOCKHOLDERS' EQUITY	Notes	2007	2006
CURRENT ASSETS				CURRENT LIABILITIES			
Cash and cash equivalents	II, IV.1	\$59,421,228	\$37,679,335	Short-term loans	IV.16, VI	\$2,205,265	\$5,073,828
Financial assets at fair value through profit or loss-current	II, IV.2	8,026,973	4,269,172	Notes payable		223,745	450,277
Available-for-sale financial assets-current	II, IV.3	-	57,300	Accounts payable		90,602,478	73,702,817
Bond portfolios with no active market-current	II, IV.4	30,501	-	Income tax payable	II, IV.24	5,349,663	2,951,835
Notes receivable-net	II, IV.5	1,390,228	422,702	Accrued expenses	V	10,476,987	10,443,293
Accounts receivable-net	II, IV.5	68,869,954	61,300,325	Other payables		9,020,703	5,729,593
Other receivable-net	II	5,871,494	3,795,090	Receipts in advance		4,863,121	4,761,288
Inventories-net	II, IV.6	79,824,438	74,796,543	Long-term loans-current portion	IV.18, VI	187,443	204,231
Prepayments		1,972,482	2,114,322	Other current liabilities		4,761,202	3,582,552
Other current assets	VI	1,293,656	584,405	Total Current Liabilities		127,690,607	106,899,714
Deferred income tax assets-current	II, IV.24	1,075,098	570,339				
Total Current Assets		227,776,052	185,589,533	LONG-TERM DEBT			
LONG-TERM INVESTMENTS				Financial liabilities at fair value through profit or loss-noncurrent			
Available-for-sale financial assets-noncurrent	II, IV.7	8,620,258	6,593,644	Bonds payable	II, IV.17	17,205,776	6,619,342
Held-to-maturity financial assets-noncurrent	II, IV.8	63,425	63,200	Long-term loans	IV.18, VI	1,933,210	2,060,450
Financial assets evaluated by cost method-noncurrent	II, IV.9	1,584,934	1,141,356	Total Long-term Debt		19,304,586	8,679,792
Long-term investments evaluated by equity method	II, IV.10	634,519	481,349	OTHER LIABILITIES			
Total Long-term Investments		10,903,136	8,279,549	Accrued pension liabilities	II	69,555	113,724
PROPERTY, PLANT AND EQUIPMENT				Deposits received			
	II, IV.11, V, VI			Deferred income tax liabilities-noncurrent	II, IV.24	578,139	391,060
Land		4,750,702	5,062,749	Other liabilities-others		667,266	148,158
Buildings and equipment		17,169,609	10,859,800	Total Other Liabilities		1,391,957	692,215
Machinery and equipment		36,392,076	25,896,614	Total Liabilities		148,387,150	116,271,721
Warehousing equipment		176,158	41,395	STOCKHOLDERS' EQUITY			
Instrument equipment		2,623,476	2,373,648	Capital stock	IV.19	34,125,291	30,400,638
Transportation equipment		192,358	129,967	Dividends to be distributed	IV.19	2,406,041	3,670,064
Office equipment		1,467,697	989,281	Additional paid-in capital	IV.20		
Miscellaneous equipment		5,672,026	3,729,283	Premium on capital stock		17,813,532	17,813,532
Total Costs		68,444,102	49,082,737	Premium on conversion of bonds		3,446,489	3,111,797
Less: Accumulated depreciation		(16,810,181)	(11,868,150)	Treasury stock transactions		617	617
Less: Accumulated impairment		(251,877)	(80,673)	Others		1,825,997	982,217
Add: Prepayments on purchase of equipment		4,925,597	6,813,785	Total additional paid-in capital		23,086,635	21,908,163
Property, Plant and Equipment-net		56,307,641	43,947,699				
INTANGIBLE ASSETS				Retained earnings			
	II			Legal reserve	IV.21	14,502,228	12,580,095
Consolidation debit		-	53,708	Special reserve	IV.22	-	614,571
Deferred pension costs		-	3,614	Unappropriated earnings	IV.22	64,081,661	48,059,871
Land leasehold rights		1,272,998	781,090	Total retained earnings		78,583,889	61,254,537
Other intangible assets		69,724	127,740	Other adjustments of stockholders' equity			
Total Intangible Assets		1,342,722	966,152	Translation adjustments	II	661,946	(1,393,987)
OTHER ASSETS				Unrealized profit/(loss) of financial assets			
Assets held for lease	IV.12, VI	142,310	-	Total other adjustments of stockholders' equity		2,830,321	(427,452)
Idle assets	IV.13, VI	2,690	-	Minority interest		10,594,342	8,998,333
Refundable deposits	VI	422,735	341,949	Total Stockholders' Equity		151,626,519	125,804,283
Deferred charges	II	2,699,124	1,845,729	TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY			
Accounts receivable-overdue	II, IV.14	-	48,218			\$300,013,669	\$242,076,004
Others	II, IV.15	417,259	1,057,175				
Total Other Assets		3,684,118	3,293,071				
TOTAL ASSETS		\$300,013,669	\$242,076,004				

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 (Unaudited)
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2007 AND 2006
(Expressed in New Taiwan Thousand Dollars)

	2007	2006		2007	2006
CASH FLOWS FROM OPERATING ACTIVITIES:			CASH FLOWS FROM INVESTING ACTIVITIES:		
Net income	\$13,577,040	\$7,117,275	Purchases of investments	(1,004,853)	(453,180)
Adjustments to reconcile net income to net cash provided by operating activities:			Proceeds from disposal of investments	407,822	169,502
Minority interest income	1,041,176	1,077,649	(Increase)/Decrease in refundable deposits	(3,098)	192,840
Effect of change in exchange rate from foreign consolidated subsidiaries	(36,253)	(481,218)	Purchase of property, plant and equipment	(6,975,776)	(7,401,700)
Depreciation	3,010,159	2,082,909	Proceeds from disposal of property, plant and equipment	549,528	190,294
Amortization	820,409	617,513	Increase in deferred charges	(1,114,761)	(1,028,782)
Depreciation from assets held for lease and idle assets	4,846	-	Proceeds from disposal of other assets	494,893	169
Impairment loss	3,207	49,393	(Increase)/Decrease in other assets-others	(24,646)	(760,455)
Investment income under equity method	(30,220)	(28,048)	Purchases of other intangible assets	(140,354)	(13,180)
Gain on disposal of investments	(83,980)	(31,879)	(Increase)/Decrease in consolidation debit	47,585	1,312
Exchange gain on disposal of investments	-	(5,800)	Purchase of minority interests	(53,853)	(1,436)
Gain on disposal of property, plant and equipment	(79,394)	(4,570)	Proceeds from disposal of shares to minority shareholders	-	366,007
Loss on disposal of property, plant and equipment	126,398	337	Gain on disposal of shares to minority shareholders	-	(270,987)
Loss on obsolescence of property, plant and equipment	5,633	4,127	Net cash used in investing activities	<u>(7,817,513)</u>	<u>(9,009,596)</u>
Property, plant and equipment transferred to other accounts	245,975	207,946			
Intangible assets transferred to other accounts	-	212,797	CASH FLOWS FROM FINANCING ACTIVITIES:		
Deferred assets transferred to other accounts	1,012	308,518	Increase/(Decrease) in short-term loans	(2,541,536)	3,259,609
Amortization of deferred issuing cost of bonds	4,669	5,434	Proceeds from early redemption of bonds	-	(1,444,116)
Loss on early redemption of bonds	-	20,378	Increase/(Decrease) in deposits received	(99,151)	(127,985)
(Gain)/Loss on foreign exchange of bonds payable	52,738	(185,895)	Increase/(Decrease) in long-term notes payable	-	(320)
Amortization of premium on bonds payable	115,588	(4,219)	Redemption of long-term loans	(344,778)	-
Loss on financial liabilities evaluated	18,000	-	Increase/(Decrease) in long-term loans	328,600	158,713
Changes in operating assets and liabilities:			Increase in subsidiaries' capital from minority shareholders	26,254	3,441,822
(Increase)/Decrease in financial assets at fair value through profit or loss-current	1,195,741	9,987,287	Net cash (used in)/provided by financing activities	<u>(2,630,611)</u>	<u>5,287,723</u>
(Increase)/Decrease available-for-sale financial assets-current	-	(57,300)			
(Increase)/Decrease in bond portfolios with no active market-current	(30,501)	-	Effect of changes of certain subsidiaries	<u>(14,305)</u>	<u>-</u>
(Increase)/Decrease in notes receivable-net	(432,938)	58,045			
(Increase)/Decrease in accounts receivable-net	62,565,125	2,138,137	INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	24,729,815	3,859,273
(Increase)/Decrease in other receivable-net	(669,050)	(1,091,474)	CASH AND CASH EQUIVALENTS, BEGINNING OF THE PERIOD	34,691,413	33,820,062
(Increase)/Decrease in inventories-net	30,263,547	(3,215,093)	CASH AND CASH EQUIVALENTS, END OF THE PERIOD	<u>\$59,421,228</u>	<u>\$37,679,335</u>
(Increase)/Decrease in prepayments	(107,143)	(441,310)			
(Increase)/Decrease in other current assets (excluding pledged time deposits)	275,514	556,798	SUPPLEMENTAL DISCLOSURES OF CASH FLOWS		
(Increase)/Decrease in deferred income tax assets-current	(259,002)	(114,813)	INFORMATION:		
(Increase)/Decrease in deferred pension costs	533	(3,614)	Cash paid during the period for:		
(Increase)/Decrease in accounts receivable-overdue	24	6,972	Interest	<u>\$175,902</u>	<u>\$213,876</u>
(Increase)/Decrease in compensating interest receivable	(31,648)	(16,940)	Income tax	<u>\$3,519,876</u>	<u>\$2,282,291</u>
Increase/(Decrease) in notes payable	(129,719)	(168,121)			
Increase/(Decrease) in accounts payable	(75,904,232)	(13,159,220)	INVESTING AND FINANCING ACTIVITIES NOT AFFECTING		
Increase/(Decrease) in income tax payable	447,326	(642,402)	CASH FLOWS:		
Increase/(Decrease) in accrued expenses	(1,079,304)	1,390,204	Bonus appropriated to employees, directors, supervisors,		
Increase/(Decrease) in other payables	(967,253)	(968,744)	and cash dividend appropriated to stockholders	<u>\$7,069,127</u>	<u>\$4,343,890</u>
Increase/(Decrease) in receipts in advance	217,185	898,988			
Increase/(Decrease) in other current liabilities	1,091,642	1,048,205	Share swap for financial assets evaluated by cost method-noncurrent	<u>\$-</u>	<u>\$3,186</u>
Increase/(Decrease) in deferred credits	-	(1,780)			
Increase/(Decrease) in accrued pension liabilities	(3,774)	3,850	Classification for the long-term loan to current portion	<u>\$187,443</u>	<u>\$204,231</u>
Increase/(Decrease) in deferred income tax liability-noncurrent	(704,184)	263,598			
Increase/(Decrease) in other liabilities-others	657,352	145,357	Bonds payable converted to capital stock	<u>\$390,350</u>	<u>\$3,388,533</u>
Increase/(Decrease) in compensating interest payable	-	1,869			
Net cash provided by operating activities	<u>35,192,244</u>	<u>7,581,146</u>			

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 STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (Unaudited)
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2007 AND 2006
(Expressed in New Taiwan Thousand Dollars)

	Capital Stock	Dividends to Be Distributed	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, 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)	114,548,323	
Appropriations and distributions of 2005 earnings:											
Legal reserve				1,727,496		(1,727,496)				-	
Reversal of 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)	
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					20,774		433,108	
Translation adjustments							(756,948)			(756,948)	
Unrealized profit/(loss) of financial assets								1,032,738		1,032,738	
Net income for the six-month ended June 30, 2006						7,117,275			1,077,649	8,194,924	
Changes in minority interest									2,707,205	2,707,205	
Balance, June 30, 2006	\$30,400,638	\$3,670,064	\$21,908,163	\$12,580,095	\$614,571	\$48,059,871	\$(1,393,987)	\$-	\$966,535	\$8,998,333	\$125,804,283
Balance, January 1, 2007	\$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
Appropriations and distributions of 2006 earnings:											
Legal reserve				1,922,133		(1,922,133)				-	
Reversal of special reserve					(614,571)	614,571				-	
Employees bonus						(688,712)				(688,712)	
Transfer of employees bonus to capital		700,000				(700,000)				-	
Transfer of stock dividends to capital		1,706,041				(1,706,041)				-	
Cash dividends						(5,118,124)				(5,118,124)	
Bonus paid to directors and supervisors						(138,871)				(138,871)	
Conversion of bonds payable	54,589		335,761							390,350	
Effect of changes of the investee companies' equity			(584)					3,016	313,366	315,798	
Translation adjustments							1,096,973			1,096,973	
Unrealized profit/(loss) of financial assets								(869,172)		(869,172)	
Net income for the six-month ended June 30, 2007						13,577,040			1,041,176	14,618,216	
Changes in minority interest									(1,138,451)	(1,138,451)	
Balance, June 30, 2007	\$34,125,291	\$2,406,041	\$23,086,635	\$14,502,228	\$-	\$64,081,661	\$661,946	\$-	\$2,168,375	\$10,594,342	\$151,626,519

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