

English Translations of Financial Statements Originally Issued in Chinese
ASUSTEK COMPUTER INC.
NON-CONSOLIDATED STATEMENTS OF INCOME (Unaudited)
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2007 AND 2006
(Expressed in New Taiwan Thousand Dollars except for Earnings Per Share)

	Notes	2007	2006
NET SALES	II, V	\$182,939,916	\$72,110,374
COST OF SALES	IV.17, V	(173,739,688)	(67,958,693)
GROSS PROFIT		9,200,228	4,151,681
LESS: UNREALIZED GROSS PROFIT	II, IV.8	(786,940)	(363,599)
ADD: REALIZED GROSS PROFIT	II, IV.8	890,117	426,204
REALIZED GROSS PROFIT		9,303,405	4,214,286
OPERATING EXPENSES	IV.17, V	(5,207,659)	(3,296,987)
OPERATING INCOME		4,095,746	917,299
 NON-OPERATING INCOMES AND GAINS			
Interest income	V	107,546	100,986
Investment income under equity method	II, IV.8	3,650,418	2,796,509
Gain on disposal of assets	II, V	4,640	88
Gain on disposal of investments	II	15,293	21,297
Gain on foreign exchange	II	-	564,173
Gain on financial assets evaluated	II, IV.2	-	2,009
Others	V	338,413	384,730
Total		4,116,310	3,869,792
 NON-OPERATING EXPENSES AND LOSSES			
Interest expense		59,426	-
Loss on disposal of assets	II, V	3,641	236
Loss on physical inventory		386	1,014
Loss on foreign exchange	II	60,158	-
Loss on financial assets evaluated	II, IV.2	8,411	-
Loss on financial liabilities evaluated	II, IV.12	21,600	-
Others	V	24,190	3,167
Total		177,812	4,417
 INCOME BEFORE INCOME TAX			
		8,034,244	4,782,674
INCOME TAX EXPENSE	II, IV.18	(1,302,886)	(575,560)
INCOME FROM CONTINUING OPERATIONS		6,731,358	4,207,114
EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES	III	-	8,903
NET INCOME		\$6,731,358	\$4,216,017
 PRIMARY EARNINGS PER SHARE			
	II, IV.19		
INCOME FROM CONTINUING OPERATIONS		\$1.97	\$1.24
EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES		-	-
NET INCOME		\$1.97	\$1.24
 DILUTED EARNINGS PER SHARE			
INCOME FROM CONTINUING OPERATIONS		\$1.90	\$1.17
EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES		-	-
NET INCOME		\$1.90	\$1.17

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)
MARCH 31, 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	\$3,401,328	\$15,183,627	Notes payable	V	\$121,404	\$427,606
Financial assets at fair value through profit or loss-current	II, IV.2	-	2,908,775	Accounts payable		107,350,655	42,303,603
Notes receivable-Net	II, IV.3	13	-	Accounts payable-affiliated company	V	1,354,965	15,494,807
Notes receivable-affiliated company-Net	II, IV.3	279	-	Income tax payable	II, IV.18	4,649,930	2,221,117
Accounts receivable-Net	II, IV.3	102,517,289	23,698,959	Accrued expenses	II, V	22,723,315	7,847,000
Accounts receivable-affiliated company-Net	II, IV.3, V	22,571,499	15,951,850	Other payables		374,766	176,369
Other receivable-Net	II, IV.4	3,019,386	1,266,247	Receipts in advance	V	2,940,620	2,804,145
Other receivable-affiliated company-Net	II, IV.4, V	8,774	2,264,065	Other current liabilities	V	75,074	174,312
Inventories-Net	II, IV.5	53,981,755	42,869,588	Total Current Liabilities		<u>139,590,729</u>	<u>71,448,959</u>
Prepayments	V	130,097	160,494				
Other current assets	VI	83,612	143,130	LONG-TERM DEBT			
Deferred income tax assets-current	II, IV.18	638,612	189,396	Financial liabilities at fair value through profit or loss-noncurrent	II, IV.12	169,200	-
Total Current Assets		<u>186,352,644</u>	<u>104,636,131</u>	Bonds payable		<u>17,239,580</u>	<u>6,647,726</u>
				Total Long-term Debt		<u>17,408,780</u>	<u>6,647,726</u>
LONG-TERM INVESTMENTS				OTHER LIABILITIES			
Available-for-sale financial assets-noncurrent	II, IV.6	7,492,379	6,285,800	Deposits received	V	15,268	15,777
Financial assets evaluated by cost method-noncurrent	II, IV.7	114,328	3,186	Deferred credits	II, IV.8	887,808	647,479
Long-term investments evaluated by equity method	II, IV.8	95,519,107	74,745,573	Deferred income tax liabilities-noncurrent	II, IV.18	1,939,352	791,824
Total Long-term Investments		<u>103,125,814</u>	<u>81,034,559</u>	Total Other Liabilities		<u>2,842,428</u>	<u>1,455,080</u>
				Total Liabilities		<u>159,841,937</u>	<u>79,551,765</u>
PROPERTY, PLANT AND EQUIPMENT				STOCKHOLDERS' EQUITY			
Land	II, IV.9, V	3,238,133	3,090,708	Capital stock	IV.13	34,120,829	30,400,638
Buildings and equipment		4,243,647	4,373,475	Additional paid-in capital	IV.14		
Machinery and equipment		1,765,809	1,972,606	Premium on capital stock		17,813,532	17,813,532
Instrument equipment		1,356,643	1,045,614	Premium on conversion of bonds		3,419,076	3,111,797
Transportation equipment		38,772	38,248	Treasury stock transactions		617	617
Office equipment		17,315	20,806	Stock option		1,020,705	-
Miscellaneous equipment		513,442	534,766	Others		805,876	569,883
Warehousing equipment		34,932	38,477	Total additional paid-in capital		<u>23,059,806</u>	<u>21,495,829</u>
Total Costs		<u>11,208,693</u>	<u>11,114,700</u>	Retained earnings			
Less: Accumulated depreciation		(2,774,123)	(2,572,090)	Legal reserve	IV.15	12,580,095	10,852,599
Add: Prepayments on purchase of equipment		242,780	136,419	Special reserve	IV.16	614,571	2,529,690
Property, Plant and Equipment-Net		<u>8,677,350</u>	<u>8,679,029</u>	Unappropriated earnings	IV.16	66,895,289	52,426,932
				Total retained earnings		<u>80,089,955</u>	<u>65,809,221</u>
OTHER ASSETS				Other adjustments of stockholders' equity			
Assets held for lease	IV.10	197,921	251,165	Translation adjustments	II	782,783	(1,189,211)
Refundable deposits	V, VI	265,708	267,360	Unrealized profit/(loss) of financial assets	II	2,046,441	806,392
Deferred charges	II	1,206,287	892,771	Total other adjustments of stockholders' equity		<u>2,829,224</u>	<u>(382,819)</u>
Accounts receivable-overdue	II, IV.11	20	55,190	Total Stockholders' Equity		<u>140,099,814</u>	<u>117,322,869</u>
Long-term accounts receivable-affiliated company	II, IV.3, V	2,021	923,037				
Others	V	113,986	135,392	TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		<u>\$299,941,751</u>	<u>\$196,874,634</u>
Total Other Assets		<u>1,785,943</u>	<u>2,524,915</u>				
TOTAL ASSETS		<u>\$299,941,751</u>	<u>\$196,874,634</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 THREE-MONTH PERIODS ENDED MARCH 31, 2007 AND 2006
(Expressed in New Taiwan Thousand Dollars)

	<u>2007</u>	<u>2006</u>		<u>2007</u>	<u>2006</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			CASH FLOWS FROM INVESTING ACTIVITIES:		
Net income	\$6,731,358	\$4,216,017	Purchases of investments	(2,428,229)	(949,875)
Adjustments to reconcile net income to net cash provided by operating activities:			(Increase)/Decrease in refundable deposits	1,643	72,588
Exchange loss/(gain) from foreign currency deposits transaction	78,141	(1,701)	Increase in deferred charges	(150,688)	(107,770)
Depreciation	162,265	161,089	Proceeds from disposal of deferred charges	419	149
Amortization	161,795	114,267	Purchase of property, plant and equipment	(128,604)	(155,205)
Depreciation from assets held for lease	1,014	530	Proceeds from disposal of property, plant and equipment	37,692	1,301
Gain on disposal of assets	(4,640)	(88)	(Increase)/Decrease in other assets	(33,849)	(55,196)
Loss on disposal of assets	3,641	236	Proceeds from disposal of investments	-	3,118
Property and equipment transferred to other accounts	423	34,042	Net cash used in investing activities	<u>(2,701,616)</u>	<u>(1,194,008)</u>
Loss on obsolescence of property and equipment	785	28			
(Gain)/Loss on foreign exchange of bonds payable	96,600	(147,051)	CASH FLOWS FROM FINANCING ACTIVITIES:		
Amortization of discount/(premium) on bonds	57,792	(2,343)	Increase/(Decrease) in short-term loans	-	(120)
Loss on financial liabilities evaluated	21,600	-	Increase/(Decrease) in deposits received	(100)	625
Investment income under equity method	(3,650,418)	(2,796,509)	Net cash provided by/(used in) financing activities	<u>(100)</u>	<u>505</u>
Amortization of deferred issuing cost of bonds	2,345	2,978			
Changes in operating assets and liabilities:					
(Increase)/Decrease in financial assets at fair value through profit or loss-current	4,218,719	6,188,605			
(Increase)/Decrease in notes receivable-net	22	3,261	Effects of changes in exchange rate	<u>(78,141)</u>	<u>1,701</u>
(Increase)/Decrease in notes receivable-affiliated company-net	(279)	-			
(Increase)/Decrease in accounts receivable-net	(21,567,092)	1,796,860			
(Increase)/Decrease in accounts receivable-affiliated company-net	(1,418,599)	6,141,103	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(7,390,508)	4,609,475
(Increase)/Decrease in other receivable-net	(1,412,741)	(345,810)	CASH AND CASH EQUIVALENTS, BEGINNING OF THE PERIOD	<u>10,791,836</u>	<u>10,574,152</u>
(Increase)/Decrease in other receivable-affiliated company-net	11,688	23,959	CASH AND CASH EQUIVALENTS, END OF THE PERIOD	<u>\$3,401,328</u>	<u>\$15,183,627</u>
(Increase)/Decrease in inventories-net	18,646,206	3,916,056			
(Increase)/Decrease in prepayments	32,285	(18,784)			
(Increase)/Decrease in other current assets (not including pledged time deposits)	(83,612)	(30,942)	SUPPLEMENTAL DISCLOSURES OF CASH FLOWS INFORMATION:		
(Increase)/Decrease in accounts receivable-overdue	4	-			
(Increase)/Decrease in long-term accounts receivable-affiliated company	444	(921,030)	Cash paid during the period for:		
(Increase)/Decrease in deferred income tax assets-current	(180,592)	(6,859)	Interest	<u>\$4</u>	<u>\$-</u>
Increase/(Decrease) in deferred income tax liabilities-noncurrent	420,600	387,874	Income tax	<u>\$11,468</u>	<u>\$515,262</u>
Increase/(Decrease) in notes payable	(72,504)	11,306			
Increase/(Decrease) in accounts payable	(1,685,518)	(12,527,737)	INVESTING AND FINANCING ACTIVITIES NOT AFFECTING CASH FLOWS :		
Increase/(Decrease) in accounts payable-affiliated company	(7,652,140)	(1,965,720)			
Increase/(Decrease) in income tax payable	1,091,150	(320,717)	Bonds payable converted to capital stock	<u>\$358,475</u>	<u>\$3,269,882</u>
Increase/(Decrease) in accrued expenses	1,169,894	1,592,483	Reversal of bonds payable-current portion	<u>\$6,613,377</u>	<u>\$-</u>
Increase/(Decrease) in other payables	(94,887)	(434,485)			
Increase/(Decrease) in receipts in advance	437,888	744,988			
Increase/(Decrease) in other current liabilities	(15,253)	53,977			
(Increase)/Decrease in compensating interest receivable	(15,857)	(9,119)			
Increase/(Decrease) in deferred credits	(103,178)	(62,605)			
Net cash provided by/(used in) operating activities	<u>(4,610,651)</u>	<u>5,798,159</u>			

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