Advantech Co., Ltd.

Financial Statements for the
Three Months Ended March 31, 2009 and 2008 and
Independent Accountants' Review Report

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

The Board of Directors and the Shareholders
Advantech Co., Ltd.

We have reviewed the accompanying balance sheets of Advantech Co., Ltd. as of March 31, 2009 and 2008, and the related statements of income and cash flows for the three months then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these financial statements based on our reviews.

Except as stated in the following paragraph, we conducted our reviews in accordance with Statement of Auditing Standards No. 36 - "Review of Financial Statements," of the Republic of China. A review consists principally of applying analytical procedures to financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

As stated in Note 8 to the financial statements, Advantech Co., Ltd. had investments accounted for by the equity method. As of March 31, 2009 and 2008, these investments had carrying values of NT$5,546,356 thousand and NT$4,470,666 thousand, respectively. As of March 31, 2009 and 2008, the negative carrying values of these investments, recorded as part of other liabilities, were NT$5,315 thousand and NT$7,221 thousand, respectively. The net investment gains of NT$77,223 thousand and NT$285,935 thousand in the three months ended March 31, 2009 and 2008, respectively, as well as additional disclosures in Note 19 required by the Securities and Futures Bureau for the Company and its investees were based on the inveestees' unreviewed financial statements for the same reporting periods as those of the Company.

Based on our reviews, except for any adjustments that might have been determined to be necessary had the investees' financial statements mentioned in the preceding paragraph been reviewed, we are not aware of any material modifications that should be made to the financial statements of Advantech Co., Ltd. as of and for the three months ended March 31, 2009 and 2008 for them to be in conformity with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers, requirements of the Business Accounting Law and Guidelines Governing Business Accounting relevant to financial accounting standards, and accounting principles generally accepted in the Republic of China.

As disclosed in Note 3 to the accompanying financial statements, the Company adopted the newly revised Statement of Financial Accounting Standards (SFAS) No. 10 - "Inventories" on January 1, 2009. In addition, the Accounting Research and Development Foundation issued Interpretation 2007-052, which requires companies to recognize bonuses paid to employees, directors and supervisors as compensation expenses beginning January 1, 2008. These bonuses were previously recorded as appropriations from earnings.

We have reviewed the consolidated financial statements of the Company and its subsidiaries as of and for the year ended March 31, 2009 and 2008 and have issued an qualified accountants' review report thereon (not presented herewith) with an explanatory paragraph.

April 20, 2009

Notice to Readers

The accompanying financial statements are intended only to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to review such financial statements are those generally accepted and applied in the Republic of China.

For the convenience of readers, the accountants' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language accountants' report and financial statements shall prevail.

ADVANTECH CO., LTD.

BALANCE SHEETS
MARCH 31, 2009 AND 2008
(In Thousands of New Taiwan Dollars, Except Par Value)
(Reviewed, Not Audited)

ASSETS	2009 Amount	%	2008 Amount	%
CURRENT ASSETS				
Cash (Note 4)	$ 1,747,744	12	$ 679,821	4
Financial assets at fair value through profit or loss (Notes 2, 5 and 18)	1,072	-	413	-
Available-for-sale financial assets - current (Notes 2, 6 and 18)	-	-	1,035,582	7
Notes receivable (Note 2)	16,831	-	35,726	-
Accounts receivable, net of allowance for doubtful accounts of $17,698 thousand in 2009 and $14,027 thousand in 2008 (Note 2)	464,303	3	516,642	3
Receivables from related parties (Notes 2 and 16)	1,500,808	11	2,347,444	15
Other receivables	27,114	-	37,447	-
Inventories, net (Notes 2, 3 and 7)	878,395	6	1,160,788	7
Deferred income tax assets - current (Notes 2 and 13)	31,953	-	51,661	-
Prepayments and other current assets	121,483	1	29,465	-
Total current assets	4,789,703	33	5,894,989	36
LONG-TERM FUNDS AND INVESTMENTS				
Available-for-sale financial assets - noncurrent (Notes 2, 6 and 18)	1,692,944	12	3,698,427	23
Investments accounted for by the equity method (Notes 2 and 8)	5,546,356	38	4,470,666	27
Total long-term funds and investments	7,239,300	50	8,169,093	50
PROPERTY, PLANT AND EQUIPMENT (Notes 2 and 9)				
Cost				
Land	1,113,352	8	640,472	4
Buildings	1,090,516	7	844,911	5
Machinery and equipment	391,467	3	369,286	2
Furniture and fixtures	117,375	1	103,802	1
Other equipment	174,500	1	165,972	1
Total cost	2,887,210	20	2,124,443	13
Less: Accumulated depreciation	577,289	4	505,709	3
	2,309,921	16	1,618,734	10
Construction in progress and prepayment for equipment	94,154	-	452,329	3
Property, plant and equipment	2,404,075	16	2,071,063	13
OTHER ASSETS				
Refundable deposits	2,830	-	7,557	-
Deferred expense, net (Note 2)	128,749	1	141,350	1
Total other assets	131,579	1	148,907	1
TOTAL	$ 14,564,657	100	$ 16,284,052	100

LIABILITIES AND SHAREHOLDERS' EQUITY	2009 Amount	%	2008 Amount	%
CURRENT LIABILITIES				
Financial liabilities at fair value through profit or loss - current (Notes 2, 5 and 18)	3,766	-	12,144	-
Accounts payable	231,122	2	542,768	3
Payables to related parties (Note 16)	711,920	5	696,487	4
Income tax payable (Notes 2 and 13)	294,365	2	254,189	2
Accrued expenses (Note 11)	661,294	4	512,119	3
Advance receipts and other current liabilities	135,794	1	82,916	1
Total current liabilities	2,038,261	14	2,100,623	13
OTHER LIABILITIES				
Accrued pension liabilities (Notes 2 and 10)	105,390	1	108,199	-
Deferred income tax liabilities - noncurrent (Notes 2 and 13)	244,878	2	274,599	2
Deferred credits (Note 2)	196,398	1	279,362	2
Others (Notes 2 and 8)	5,315	-	7,221	-
Total other liabilities	551,981	4	669,381	4
Total liabilities	2,590,242	18	2,770,004	17
SHAREHOLDERS' EQUITY (Notes 2, 11 and 12)				
Capital stock, NT$10.00 par value				
Authorized - 600,000 thousand shares				
Issued - 511,366 thousand shares in 2009 and 491,877 thousand shares in 2008	5,113,658	35	4,918,770	30
Capital surplus				
Additional paid-in capital in excess of par	4,295,859	30	4,382,809	27
From treasury stock	13,612	-	-	-
From long-term equity investments	59,771	-	65,635	-
Total capital surplus	4,369,242	30	4,448,444	27
Retained earnings				
Legal reserve	1,673,104	11	1,378,115	8
Unappropriated earnings	3,284,198	23	4,155,556	26
Total retained earnings	4,957,302	34	5,533,671	34
Others				
Cumulative translation adjustments	414,265	3	107,112	1
Unrealized valuation gain (loss) on financial instruments	(1,494,354)	(10)	563,648	3
Total other equity	(1,080,089)	(7)	670,760	4
Treasury stock - 14,500 thousand shares in 2009 and 24,500 thousand shares in 2008	(1,385,698)	(10)	(2,057,597)	(12)
Total shareholders' equity	11,974,415	82	13,514,048	83
TOTAL	$ 14,564,657	100	$ 16,284,052	100

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

(With Deloitte & Touche review report dated April 20, 2009)

ADVANTECH CO., LTD.

STATEMENTS OF INCOME
THREE MONTHS ENDED MARCH 31, 2009 AND 2008
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)
(Reviewed, Not Audited)

	2009		2008	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUES (Notes 2 and 16)				
Sales	$ 2,444,904	100	$ 3,011,304	100
Sales returns and allowances	34,319	1	17,904	1
Net sales	2,410,585	99	2,993,400	99
Other operating revenues	21,704	1	29,590	1
Total operating revenues	2,432,289	100	3,022,990	100
OPERATING COSTS (Notes 3, 14 and 16)	1,794,894	74	2,168,205	72
GROSS PROFIT	637,395	26	854,785	28
REALIZED (UNREALIZED) PROFITS ON INTERCOMPANY SALES (Note 2)	54,630	3	(36,207)	(1)
ADJUSTED GROSS PROFIT	692,025	29	818,578	27
OPERATING EXPENSES (Note 14)				
Marketing	67,718	3	68,490	2
Administrative	104,870	4	120,450	4
Research and development	257,199	11	229,158	7
Total operating expenses	429,787	18	418,098	13
OPERATING INCOME	262,238	11	400,480	14
NONOPERATING INCOME AND GAINS				
Interest (Note 16)	1,033	-	3,863	-
Equity in net gain of investees, net (Notes 2 and 8)	77,223	3	285,935	10
Gain on disposal of investments, net	-	-	4,776	-
Foreign exchange gain, net (Note 2)	41,312	2	-	-
Royalty revenue (Note 16)	39,983	2	41,378	1
Valuation gain on financial instrument, net (Notes 2 and 5)	9,416	-	-	-
Other income (Note 16)	6,498	-	3,265	-
Total nonoperating income and gains	175,465	7	339,217	11

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ADVANTECH CO., LTD.

STATEMENTS OF INCOME
THREE MONTHS ENDED MARCH 31, 2009 AND 2008
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)
(Reviewed, Not Audited)

	2009		2008	
	Amount	**%**	**Amount**	**%**
NONOPERATING EXPENSES AND LOSSES				
Foreign exchange loss, net (Note 2)	$ -	-	$ 13,307	1
Valuation loss on financial instrument, net (Notes 2 and 5)	-	-	10,981	-
Other expenses	1,963	-	1,686	-
Total nonoperating expenses and losses	1,963	-	25,974	1
INCOME BEFORE INCOME TAX	435,740	18	713,723	24
INCOME TAX (Notes 2 and 13)	59,713	3	82,646	3
NET INCOME	$ 376,027	15	$ 631,077	21

	2009		2008	
	Pretax	**After Income Tax**	**Pretax**	**After Income Tax**
EARNINGS PER SHARE (Note 15)				
Basic	$ 0.88	$ 0.76	$ 1.42	$ 1.25
Diluted	$ 0.87	$ 0.75	$ 1.41	$ 1.25

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

(With Deloitte & Touche review report dated April 20, 2009) (Concluded)

ADVANTECH CO., LTD.

STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED MARCH 31, 2009 AND 2008
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 376,027	$ 631,077
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	39,953	37,268
Provision for bad debts	3,766	4,158
Provision for loss on inventories	18,726	18,261
Equity in net gain of investees, net	(77,223)	(285,935)
Loss on disposal of properties, net	67	1,686
Gain on disposal of investments, net	-	(4,776)
Accrued pension liabilities	(975)	(734)
Deferred income taxes	30,081	14,501
Net changes in operating assets and liabilities		
Financial instruments at fair value through profit or loss	(18,992)	11,818
Notes receivable	14,074	13,763
Accounts receivable	98,775	75,535
Receivables from related parties	32,715	(82,487)
Inventories	101,414	(64,236)
Other receivables	6,724	38,463
Prepayments and other current assets	(89,180)	(3,493)
Accounts payable	(66,058)	70,809
Payables to related parties	17,699	(278,076)
Income tax payable	18,154	66,052
Accrued expenses	49,840	51,091
Advance receipts and other current liabilities	65,398	(9,172)
Deferred credits	(54,630)	36,207
Net cash provided by operating activities	566,355	341,780
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of available-for-sale financial assets	-	(2,011,486)
Proceeds of the sale of available-for-sale financial assets	-	1,951,622
Proceeds of the disposal of properties	40	18
Acquisition of properties	(19,525)	(80,134)
Increase in deferred expenses	(247)	(33,721)
Decrease in refundable deposits	3,808	141
Net cash used in investing activities	(15,924)	(173,560)

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ADVANTECH CO., LTD.

STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED MARCH 31, 2009 AND 2008
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	2009	2008
CASH FLOWS FROM FINANCING ACTIVITIES		
Employee stock options	$ 470	$ 8,652
Cash bonus to employees and remuneration to directors and supervisors	(26,255)	(5,952)
Cash paid for acquisition of treasury stock	-	(671,899)
Net cash used in financing activities	(25,785)	(669,199)
NET INCREASE (DECREASE) IN CASH	524,646	(500,979)
CASH, BEGINNING OF PERIOD	1,223,098	1,180,800
CASH, END OF PERIOD	$ 1,747,744	$ 679,821
SUPPLEMENTARY CASH FLOW INFORMATION		
Income tax paid	$ 11,478	$ 267
NONCASH INVESTING AND FINANCING ACTIVITIES		
Proceeds of the return of capital by investees	$ 120,000	$ 200,000
Dividends receivable from equity-method investees	$ -	$ 160,000

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

(With Deloitte & Touche review report dated April 20, 2009) (Concluded)

ADVANTECH CO., LTD.

NOTES TO FINANCIAL STATEMENTS
THREE MONTHS ENDED MARCH 31, 2009 AND 2008
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)
(Reviewed, Not Audited)

1. ORGANIZATION AND OPERATIONS

Advantech Co., Ltd. (the "Company") was established in September 1981. It manufactures and sells embedded computing boards, industrial automation products, applied computers and industrial computers. Its stock has been listed on the Taiwan Stock Exchange since December 13, 1999.

As of March 31, 2009 and 2008, the Company had 1,307 and 1,268 employees, respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared in conformity with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers, the Business Accounting Law, Guidelines Governing Business Accounting, and accounting principles generally accepted in the ROC. Under these guidelines and principles, the Company is required to make certain estimates and assumptions that could affect the allowance for doubtful accounts, provision for loss on inventories, depreciation of property, plant and equipment, pension cost, product warranty reserve, bonuses paid to employees and remunerations to directors and supervisors and income tax, etc. Actual results could differ from these estimates.

For the convenience of readers, the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language financial statements shall prevail.

The Company's significant accounting policies are summarized as follows.

Current and Noncurrent Assets and Liabilities

Current assets include cash, those assets held primarily for trading purposes and to be realized, sold or consumed within one year from the balance sheet date. All other assets such as property, plant and equipment are classified as noncurrent. Current liabilities are obligations incurred for trading purposes or to be settled within one year from the balance sheet date. All other liabilities are classified as noncurrent.

Financial Assets/Liabilities at Fair Value through Profit or Loss

Financial instruments classified as financial assets or financial liabilities at fair value through profit or loss ("FVTPL") include financial assets or financial liabilities held for trading and those designated as at FVTPL on initial recognition. The Company recognizes a financial asset or a financial liability on its balance sheet when the Company becomes a party to the contractual provisions of the financial instrument. A financial asset is derecognized when the Company has lost control of its contractual rights over the financial asset. A financial liability is derecognized when the obligation specified in the relevant contract is discharged, cancelled or expired.

Financial instruments at FVTPL are initially measured at fair value. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss. At each balance sheet date subsequent to issue of initial recognition, financial assets or financial liabilities at FVTPL are remeasured at fair value, with changes in fair value recognized directly in profit or loss in the period in which they arise. On derecognition of a financial asset or a financial liability, the difference between its carrying amount and the sum of the consideration received and receivable or consideration paid and payable is recognized in profit or loss. All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

A derivative that does not meet the criteria for hedge accounting is classified as a financial asset or a financial liability held for trading. If the fair value of the derivative is positive, the derivative is recognized as a financial asset; otherwise, the derivative is recognized as a financial liability.

Fair values of financial assets and financial liabilities at the balance sheet date are determined as follows: Financial assets and financial liabilities without quoted prices in an active market - at values determined using valuation techniques.

Available-for-sale Financial Assets

Available-for-sale financial assets are initially recognized at fair value plus transaction costs that are directly attributable to the acquisition. When subsequently measured at fair value, the changes in fair value are excluded from earnings and reported as a separate component of shareholders' equity. The accumulated gains or losses are recognized as earnings when the financial asset is derecognized from the balance sheet. Purchase or sale of financial assets under customary transactions is recognized and derecognized using trading date accounting.

Cash dividends are recognized as investment income upon ex-dividend day but are accounted for as reductions of the original cost of investment if these dividends are declared on the investees' earnings before investment acquisition. Stock dividends are recorded as an increase in the number of shares held and do not affect investment income. After the receipt of stock dividends, the cost per share is recalculated on the basis of the new number of total shares.

Fair values of financial assets and financial liabilities at the balance sheet date are determined as follows: Publicly traded stocks - at closing prices; open-end mutual funds - at net asset values.

An impairment loss is recognized when there is objective evidence that the financial asset is impaired. Any subsequent decrease in impairment loss for an equity instrument classified as available-for-sale is recognized directly in equity. If the fair value of a debt instrument classified as available-for-sale subsequently increases as a result of an event which occurred after the impairment loss was recognized, the decrease in impairment loss is reversed to profit.

Revenue Recognition, Accounts Receivable, and Allowance for Doubtful Accounts

Sales are recognized when titles to products and material risks of ownerships are transferred to clients, primarily upon shipment, when the earnings process is mostly completed and profit is realized or is realizable. The Company does not recognize as sales those transactions involving the delivery of materials to subcontractors since ownership of materials is not transferred upon delivery of materials. Allowances and the related provision for sales returns are accounted for as a deduction from gross sales, and the related costs are deducted from cost of sales as they are incurred.

Sales are measured at the fair value of the consideration received or receivable and represents amounts agreed between the Company and the customers for goods sold in the normal course of business, net of sales discounts and volume rebates. For trade receivables due within one year from the balance sheet date, as the nominal value of the consideration to be received approximates its fair value and transactions are frequent, fair value of the consideration is not determined by discounting all future receipts using an imputed rate of interest.

An allowance for doubtful accounts is provided on the basis of a review of the collectibility of accounts receivable. This review involves the aging analysis of the outstanding receivables and assessing relevant economic circumstances.

Inventories

Inventories consist of raw materials and supplies, work-in-process, and finished goods. Before January 1, 2009, inventories were stated at the lower of cost or market value. Any write-down was made on a total-inventory basis. Market value represented replacement costs of raw materials, supplies and spare parts and net realizable values of work in process and finished goods. As stated in Note 3, effective January 1, 2009, inventories are stated at the lower of cost or net realizable value. Inventory write-downs are made item by item, except where it may be appropriate to group similar or related items. Net realizable value is the estimated selling price of inventories less all estimated costs of completion and necessary selling costs. Inventory costs are determined using the weighted-average method.

Long-term Equity Investments

Investments in shares of stock of companies in which the Company owns at least 20% of their outstanding common stock or exercises significant influence over their operating and financial policy decisions are accounted for by the equity method.

The difference between the cost of the investment and the Company's equity in the investee's net assets when an investment is acquired or when the equity method is first adopted is amortized over five years. Effective January 1, 2006, under the revised Statement of Financial Accounting Standards, investment premiums, representing goodwill, are no longer being amortized. If the net fair value of an asset exceed its investment cost, the difference will be credited to depend on the proportion of noncurrent asset's (not include non-equity-method financial asset, dispose asset waiting for sale, deferred tax asset and prepay pension cost or other pension pay) fair value. If the fair value of a noncurrent asset is not enough for crediting purposes, it will recognize as extraordinary gain. If the unamortized long-term investment by the equity method acquired before January 1, 2006 exceeds the Company's equity in the investee's equity in the investee's assets is a deferred liability will amortized depend on its remaining useful life.

If an investee issues additional shares and the Company acquires these shares at a percentage different from its current equity in the investee, the resulting increase in the Company's equity in its investee's net assets is credited to capital surplus. Any decrease in the Company's equity in the investee's net assets is debited to capital surplus. If capital surplus is not enough for debiting purposes, the difference is debited to unappropriated earnings.

For equity-method investees over which the Company has controlling influence, if the equity in losses recognized exceeds the original investment acquisition costs, the Company recognizes its investee's total losses unless other investors commit to and have the ability to assume a portion of the losses. However, when the investees return to profitable operations, the profits should be recognized by the Company totally until its previously recognized losses are covered. If the equity in losses recognized exceeds the original investment acquisition costs plus any advance given to an equity-method investee, the excess losses should be recognized proportionately and is recorded as part of other liabilities.

All profits derived from sales of products by the Company to its subsidiaries are deferred but only profit in proportion to the Company's equity interest is deferred for other equity-method investees that are not majority owned. Profit from the sales of products by equity-method investees to the Company is deferred in proportion to the Company's equity interests in the investees and credited against the investment. Profits from sales of products between equity-method investees are deferred to the extent of the Company's equity interests in these investees. The deferred profits are included as part of other liabilities. All of these profits are realized through the subsequent sale of the related products to third parties.

Stock dividends received are recorded only as an increase in the number of shares held but not recognized as investment income. Cost or carrying value per share is recomputed on the basis of total shares held after stock dividends are received.

For all stock investments, costs of investments sold are determined using the weighted-average method.

Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation. Major additions, renewals and betterments are capitalized, while maintenance and repairs are charged to current expense.

Depreciation is computed using the straight-line method over service lives initially estimated as follows (plus one year to represent estimated salvage value): buildings and equipment, 45 to 60 years; machinery and equipment, 2 to 8 years; furniture and fixtures 2 to 5 years; and miscellaneous equipment, 2 to 5 years. Properties still being used by the Company beyond their initially estimated service lives are depreciated over their newly estimated service lives.

Upon sale or other disposal of properties, the related cost and accumulated depreciation are removed from the accounts, and the resulting gain or loss is credited or charged to nonoperating income or expenses in the year of disposal.

Deferred Expenses

Deferred expenses, consisting of computer software costs and royalties, are amortized over 2 to 8 years using the straight-line method.

Asset Impairment

An impairment loss should be recognized if the carrying amount of property, plant and equipment, deferred expenses and investments accounted for by the equity method exceeds, as of the balance sheet date, their recoverable amount, and this impairment loss should be charged to current income. An impairment loss recognized in prior years could be reversed if there is a subsequent recovery in the estimates used to determine recoverable amount since the last impairment loss was recognized. However, an impairment loss is reversed only to the extent that it does not increase the asset carrying amount that would have been determined had no impairment loss on the asset been recognized in prior years.

For the purpose of impairment testing, goodwill is allocated to each of the relevant cash-generating units ("CGU(s)") that are expected to benefit from the synergies of the acquisition. A CGU to which goodwill has been allocated is tested for impairment annually or whenever there is an indication that the CGU may be impaired. If the recoverable amount of the CGU becomes less than its carrying amount, the impairment is allocated to first reduce the carrying amount of the goodwill allocated to the CGU and then to the other assets of the CGU pro rata on the basis of the carrying amount of each asset in the CGU. A reversal of an impairment loss on goodwill is disallowed.

For long-term equity investments for which the Company has significant influence but with no control, the carrying amount (including goodwill) of each investment is compared with its own recoverable amount for the purpose of impairment testing.

Pension Costs

The Company has two types of pension plans: Defined benefit and defined contribution.

Under the defined benefit pension plan, net pension costs are recognized on the basis of actuarial calculations, and, under the defined contribution pension plan, on contribution basis throughout the employees' service period.

If the defined benefit pension plan is curtailed or settled, the resulting gains or losses should be recognized as part of the net pension cost for the period.

Treasury Stock

Treasury stock is stated at cost and shown as a deduction in shareholders' equity.

Income Tax

The Company uses inter-period allocation to account for income tax. Deferred tax assets are recognized for the tax effects of deductible temporary differences, investment tax credits, and deferred tax liabilities are recognized for the tax effects of taxable temporary differences. Valuation allowance is provided for deferred income tax assets that are not certain to be realized. Deferred income tax assets or liabilities are classified as current or noncurrent according to the nature of related assets or liabilities for financial reporting. But, if a deferred asset or liability cannot be related to an asset or liability in the financial statements, it is classified as current or noncurrent depending on the expected realization date of the temporary difference.

Investment tax credits for certain equipment or technology purchases, research expenditure, employee and trainings are recognized in the current period.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax expense.

Income taxes (10%) on undistributed earnings generated since January 1, 1998 are recorded as expense in the year when the shareholders resolve to retain the earnings.

Foreign-currency Transactions

Foreign currency transactions (except derivative transactions) are recorded in New Taiwan dollars at the spot rates of exchange in effect when the transactions occur. Exchange differences arising from settlement of foreign-currency assets and liabilities are recognized in profit or loss.

At period-end, the balances of foreign-currency assets and liabilities ("Balances") which carried at fair value are restated at the prevailing exchange rates, and the resulting differences are recorded as follows: Equity-method stock investments - as cumulative translation adjustments under shareholders' equity; other assets and liabilities - as credits or charges to current income.

At period-end, the balances of foreign-noncurrency assets and liabilities are restated at the prevailing exchange rates, the resulting differences are recognized as current earnings or a separate component of shareholders' equity, and Balances carried at cost are restated at the history rates and recognized as the rate of the trading rate.

Reclassifications

Certain accounts in the financial statements as of and for the three months ended March 31, 2008 have been reclassified to be consistent with the presentation of the financial statements as of and for the three months ended March 31, 2009.

3. ACCOUNTING CHANGES

a. Accounting for Inventories

Effective January 1, 2009, the Company adopted the newly revised Statement of Financial Accounting Standards No. 10 - “Inventories.” The main revisions are (1) inventories are stated at the lower of cost or net realizable value, and inventories are written down to net realizable value item by item, except when the grouping of similar or related items is appropriate; (2) unallocated overheads are recognized as expenses in the period in which they are incurred; and (3) abnormal cost, write-downs of inventories and any reversal of write-downs are recorded as cost of sales for the period. This accounting change resulted in decreases of $7,096 thousand in net income and of NT$0.01 in earnings per share (after income tax), respectively, for the three months ended March 31, 2009. The Company also reclassified the nonoperating loss of $18,702 thousand to the cost of goods sold for the three months ended March 31, 2008.

b. Accounting for Bonuses to Employees, Directors and Supervisors

The Accounting Research and Development Foundation of the R.O.C. issued Interpretation 2007-052 which requires companies to recognize as compensation expenses bonuses paid to employees, directors and supervisors beginning January 1, 2008. These bonuses were previously recorded as appropriations from earnings. The adoption of this interpretation resulted in decreases in net income and earnings per share (after income tax) of $58,524 thousand and $0.12, respectively, for the year ended March 31, 2008.

4. CASH

	March 31 2009	March 31 2008
Cash on hand	$ 1,525	$ 1,493
Checking and demand deposits	222,471	113,485
Time deposits: Interest - 0.12%-0.64% in 2009 and 1.85%-3.63% in 2008	1,523,748	564,843
	$ 1,747,744	$ 679,821

5. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

The Company’s trading-purpose assets were as follows:

	March 31 2009	March 31 2008
Financial assets resulting from trading		
Forward contracts	$ 1,072	$ 413
Financial liabilities resulting from trading		
Forward contracts	$ 3,766	$ 12,144

The outstanding forward contracts as of March 31, 2009 and 2008 were as follows:

	Currency	Maturity	Amount (Thousands)
March 31,2009			
Sell	EUR/USD	From April to June 2009	EUR4,500/USD5,878
Sell	USD/NTD	April 2009	USD500/NTD17,591
March 31,2008			
Sell	USD/NTD	From April to July 2008	USD40,600/NTD1,220,859
Sell	EUR/USD	From April to May 2008	EUR5,000/USD7,862
Sell	YEN/USD	April 2008	JPY49,510/USD500

The Company entered into forward contract transactions during the three months ended March 31, 2009 and 2008 to avoid risks on exchange rate fluctuations. The hedging strategy of the Company is to avoid the major portion of the market and liquidity risks.

Net gains and loss arising from trading financial assets or liabilities for the three months ended March 31, 2009 and 2008 were gain $9,416 thousand and loss $10,981 thousand, respectively.

6. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	March 31		
	2009	2008	
	Noncurrent	Current	Noncurrent
Mutual funds	$ -	$ 1,035,582	$ -
Quoted domestic stocks			
ASUSTEK Computer Inc.	1,629,146	-	3,698,427
Quoted overseas stocks			
SG Advantech Co., Ltd.	63,798	-	-
	$ 1,692,944	$ 1,035,582	$ 3,698,427

7. INVENTORIES, NET

	March 31	
	2009	2008
Finished goods	$ 313,448	$ 365,088
Work in process	238,470	336,492
Materials and supplies	319,010	439,895
Inventories in transit	7,467	19,313
	$ 878,395	$ 1,160,788

As of March 31, 2009 and 2008, the allowance for losses were $100,851 thousand and $127,407 thousand, respectively.

As of March 31, 2009 and 2008, the costs of goods sold related to inventories were $1,794,894 thousand and $2,168,205 thousand, respectively, which included allowance for losses of $18,726 thousand and $18,261 thousand for the three months ended March 31, 2009 and 2008, respectively.

8. LONG-TERM EQUITY INVESTMENTS

	March 31			
	2009		2008	
	Carrying Value	% of Owner-ship	Carrying Value	% of Owner-ship
Listed				
Axiomtek Co., Ltd.	$ 365,900	27.96	$ 357,701	28.90
Unlisted				
Advantech Automation Corp. (BVI)	1,875,514	100.00	1,449,855	100.00
Advantech Technology Co., Ltd.	1,671,515	100.00	917,150	100.00
Advantech Investment Fund-A Co., Ltd.	623,337	100.00	417,095	100.00
Advantech Europe Holding B.V.	399,506	100.00	397,950	99.22
Advansus Corp.	191,731	50.00	281,508	50.00
Advantech Technologies Co., Ltd.	-	-	154,008	23.89
Advantech Japan Co., Ltd.	119,648	100.00	113,880	100.00
Advantech Co. Singapore Pte, Ltd.	67,299	100.00	112,636	100.00
Advantech Australia Pty Ltd.	72,316	100.00	110,349	100.00
Advantech (Yan Shun) Holding Co., Ltd.	96,282	100.00	99,128	100.00
Advantech Co. Malaysia Sdn. Bhd.	39,303	100.00	40,086	100.00
Advantech Hungary Ltd.	18,132	30.00	13,534	30.00
Advantech Investment & Management Service	5,873	100.00	5,786	100.00
Advantech (HK) Technology Co., Ltd.	-	100.00	-	100.00
	$ 5,546,356		$ 4,470,666	

The calculation of the carrying values of the equity-method investments and the equity in their net income or net loss was based on the investees' unreviewed financial statements for the three months ended March 31, 2009 and 2008.

Movements of the aforementioned difference allocated to goodwill for the three months ended March 31, 2009 and 2008 were as follows:

	March 31	
	2009	2008
Cost		
Balance, beginning of year	$ 106,724	$ 76,944
Translation adjustment	(2,281)	(8)
Negative goodwill amortized	-	21
Balance, end of year	$ 104,443	$ 76,957

The Company intended to support the operations of Advantech (HK) Technology Co., Ltd. in the three months ended March 31, 2009 and 2008. Under the revised Statement of Financial Accounting Standards No. 5 - "Long-term Investments in Equity Securities" of the Republic of China, if the equity in losses recognized exceeds the original investment acquisition costs plus any advances given to the investee, the Company recognizes its investee's total losses unless other investors commit to assume, and can assume, a portion of the losses. As of March 31, 2009 and 2008, there were credit balances on this investment of $5,315 thousand and $7,221 thousand, respectively, included in other liability - others.

The market value of the listed stock of the equity investment's market values, which was calculated on the basis of the closing price of March 31, 2009 and 2008 were $454,826 thousand and $967,608 thousand, respectively.

The Company has included all of its direct and indirect subsidiaries in the consolidated financial statements as of and for the years ended March 31, 2009 and 2008.

9. PROPERTY, PLANT AND EQUIPMENT

Statement of changes in property, plant and equipment and properties leased to others was as follows:

	Three Months Ended March 31, 2009				
	Beginning Balance	**Acquisition**	**Disposal**	**Re-classification**	**Ending Balance**
Properties					
Cost					
Land	$ 1,113,352	$ -	$ -	$ -	$ 1,113,352
Buildings	1,090,516	-	-	-	1,090,516
Machinery and equipment	394,790	2,213	9,550	4,014	391,467
Furniture and fixtures	116,295	1,882	802	-	117,375
Other equipment	166,690	5,448	315	2,677	174,500
	2,881,643	$ 9,543	$ 10,667	$ 6,691	2,887,210
Accumulated depreciation					
Buildings	136,218	$ 5,337	$ -	$ -	141,555
Machinery and equipment	260,615	12,526	9,544	-	263,597
Furniture and fixtures	74,192	4,368	745	-	77,815
Other equipment	87,198	7,395	271	-	94,322
	558,223	$ 29,626	$ 10,560	$ -	577,289
	2,323,420				
Construction in progress and prepayments for equipment	91,263	$ 9,982	$ -	$ (7,091)	94,154
	$ 2,414,683				$ 2,404,075

	Three Months Ended March 31, 2008				
	Beginning Balance	**Acquisition**	**Disposal**	**Re-classification**	**Ending Balance**
Properties					
Cost					
Land	$ 640,472	$ -	$ -	$ -	$ 640,472
Buildings	844,911	-	-	-	844,911
Machinery and equipment	353,918	8,231	25	7,162	369,286
Furniture and fixtures	103,173	1,457	828	-	103,802
Other equipment	161,675	9,749	5,452	-	165,972
	2,104,149	$ 19,437	$ 6,305	$ 7,162	2,124,443

(Continued)

	Three Months Ended March 31, 2008				
	Beginning Balance	Acquisition	Disposal	Re-classification	Ending Balance
Accumulated depreciation					
Buildings	$ 118,896	$ 4,132	$ -	$ -	$ 123,028
Machinery and equipment	217,569	11,172	25	-	228,716
Furniture and fixtures	60,220	4,950	745	-	64,425
Other equipment	87,050	6,321	3,831	-	89,540
	483,735	$ 26,575	$ 4,601	$ -	505,709
	1,620,414				1,618,734
Construction in progress and prepayments for equipment	398,794	$ 60,697	$ -	$ (7,162)	452,329
	$ 2,019,208				$ 2,071,063

(Concluded)

10. PENSION PLAN

The Labor Pension Act (the "Act") was enforced on July 1, 2005. The employees subject to the Labor Standards Law before July 1, 2005 were allowed to choose to continue to be subject to the Labor Standards Law or to be subject to the pension mechanism under this Act, with their service years accumulated until June 30, 2005 to be retained. Those hired on or after July 1, 2005 automatically become subject to the Act.

Under the Act, the Company has a defined contribution pension plan. Since July 1, 2005, the Company has made monthly contributions to the employees' individual pension accounts in the Bureau of Labor Insurance at 6% of employees' salaries and wages. The pension cost under the defined contribution loan was $12,495 thousand and $11,680 thousand for the three months ended March 31, 2009 and 2008, respectively.

The Company has a defined benefit pension plan under the Labor Standards Law (the "Law"). Under this pension plan, employees can accumulate two base points for every service year within the first 15 service years and one base point for every service year thereafter. Employees can accumulated up to 45 based points, and the benefits based on employee's average monthly salary for the six-month period prior to retirement. Under the Law, the Company accrues pension costs individually on the basis of actuarial calculations and make monthly contributions at 2% of salaries and wages to each company's pension fund, which is administered by each company's pension plan committee and deposited in the respective committees' names in the Bank of Taiwan. The pension costs under the defined benefit pension plan were $1,090 thousand and $1,489 thousand for the three months ended March 31, 2009 and 2008, respectively. As of March 31, 2009 and 2008, the balance of the pension fund was $96,152 thousand and $85,781 thousand, respectively.

11. SHAREHOLDERS' EQUITY

Capital Surplus

Based on certain laws or regulations, capital surplus from long-term equity investments accounted for by the equity method cannot be used for any purpose. Other capital surplus may be used only to offset a deficit. Capital surplus from the issue of stock in excess of par value may be capitalized by issuing new shares to shareholders in proportion to their holdings, and capitalized amounts should be within certain limits.

Appropriation of Earnings and Dividend Policy

The Company's Articles of Incorporation provide that legal reserve should be set aside at 10% of annual net income less any cumulative losses. In addition, a special reserve should be appropriated as needed. The remainder of the income should be appropriated in the following order:

a. 8% to 20% as bonus to employees;

b. 1% or less as remuneration to directors and supervisors; and

c. Dividends, as proposed by the board of directors.

For stock bonuses, employees may include subsidiaries' employees who meet certain criteria as determined by the Company's board of directors.

Any appropriations of earnings are recorded in the year of shareholders' approval following the year of earnings generation.

The bonus to employees and remunerations to directors and supervisors of $75,000 thousand (classified under accrued expenses) were accrued on the basis of past experience. If the actual amounts subsequently resolved by the shareholders differ from the proposed amounts, the differences are recorded in the year of shareholders' resolution as a change in accounting estimate. If bonus shares are resolved to be distributed to employees, the number of shares is determined by dividing the amount of bonus by the closing price (after considering the effect of cash and stock dividends) of the shares of the eve of the shareholders' meeting.

Based on a directive issued by the Securities and Futures Bureau, an amount equal to the net debit balance of certain shareholders' equity accounts (including unrealized gain or loss on financial instruments and cumulative transaction adjustments) should be transferred from unappropriated earnings to a special reserve. Any special reserve appropriated may be reversed to the extent of the decrease in the net debit balance.

Under the Company Law, legal reserve should be appropriated until the accumulated reserve equals the Company's paid-in capital. This reserve may be used only to offset a deficit. When the balance of the reserve reaches 50% of the Company's outstanding capital stock, up to 50% thereof may be transferred to capital.

Under the Integrated Income Tax System, which took effect on January 1, 1998, noncorporate local shareholders are allowed a tax credit for the income tax paid by the Parent Company on earnings generated since 1998. An imputation credit account (ICA) is maintained by the Parent Company for such income tax and the tax credit allocated to each shareholder. The maximum credit available for allocation to each shareholder cannot exceed the ICA balance on the dividend distribution date.

The Company operates in an industry related to computers, and its business related to network servers is new but with significant potential for growth. Thus, in formulating its dividend policy, the Company takes into account the overall business and industry conditions and trends, its objective of enhancing the shareholders' long-term interest, and the sustainability of the Company's growth. The policy also requires that stock dividends be less than 75% of total dividends to retain internally generated cash within the Company to finance future capital expenditures and working capital requirements.

The appropriations of earnings for 2008 and 2007 were proposed in the Board of Directors' meeting and approved in the shareholders' meeting held on March 27, 2009 and June 12, 2008, respectively. The appropriations and dividends per share were as follows:

	Appropriation of Earnings		Dividends Per Share (Dollars)	
	2008	2007	2008	2007
Legal reserve	$ 254,355	$ 294,989	$ -	$ -
Special reserve	1,135,596	-	-	-
Cash dividends	1,490,598	1,869,508	3.00	4.00
Stock dividends	24,843	233,688	0.05	0.50
Remuneration to directors and supervisors	-	26,549	-	-
Bonus to employees - stock	-	60,000	-	-
Bonus to employees - cash	-	205,490	-	-

At their meeting on March 27, 2009, the members of board of directors proposed to distribute to employees a bonus of $190,000 thousand for 2008.

At their meeting on June 12, 2008, the shareholders approved the board of directors' proposal to distribute stock dividends of $233,688 thousand and stock bonus to employees amounting to $60,000 thousand. The appropriation of earnings for 2007 was approved by the Financial Supervisory Commission under the Executive Yuan of the ROC. The board of directors resolved August 8, 2008 as the date of distributing stock and cash dividends, and the Company had completed its revised registration from the MOEA.

Information on the appropriation of bonus to employees and remuneration to directors and supervisors can be accessed online through the Market Observation Post System on the Web site of the Taiwan Stock Exchange.

On April 1, 2003, the Securities and Futures Bureau approved the Company's stock option plan. There were 3,000 thousand units authorized to be issued, which may be converted to 3,000 thousand common shares. Employees may exercise a certain percentage of the option within two and four years of the grant date, and will expire six years from the grant date. The stock options were issued on August 14, 2003, and the exercise price was set at NT$23.49 as of March 31, 2009.

As of March 31, 2009, there were 2,495 thousand units of stock options exercised, which were converted to 2,495 thousand common shares; thus, the unexercised stock options consisted of 145 thousand units.

When the grant date of stock-based employee compensation plans is on or before January 1, 2004, the Company need not apply the accounting guideline Nos. 070, 071 and 072 for stock-based compensation issued by the Accounting Research and Development Foundation of the ROC.

12. TREASURY STOCK

(Shares in Thousands)

Purpose of Treasury Stock	**Number of Shares, Beginning of Period**	**Addition During the Period**	**Reduction During the Period**	**Number of Shares, End of Period**
Three months ended March 31, 2009				
For transfer to employees	14,500	-	-	14,500
Three months ended March 31, 2008				
For transfer to employees	14,500	-	-	14,500
To maintain the Company's credibility and shareholders' interest	-	10,000	-	10,000

Under the Securities and Exchange Act, the Company shall neither pledge treasury stock nor exercise shareholders' rights on these shares, such as rights to dividends and to vote.

13. INCOME TAX

a. Reconciliation of income tax expense based on income tax at statutory income tax rates to income tax expense, and current income tax payable were as follows:

	March 31 2009	**March 31 2008**
Tax on pretax income at 25% statutory rate	$ 108,925	$ 178,421
Deduct tax effects of:		
Permanent differences		
Tax-exempt income	(5,544)	(51,866)
Other	(10,556)	(6,649)
Temporary differences	(28,251)	(3,987)
Investment tax credit	(34,942)	(49,600)
Income tax currently payable	$ 29,632	$ 66,319

b. Income tax expense consisted of the following:

	2009	2008
Income tax currently payable	$ 29,632	$ 66,319
Income tax expense - deferred	30,081	14,501
Withholding tax of dividends	-	1,826
	$ 59,713	$ 82,646

c. The change of income tax payable prepaid income tax of balance sheet consisted of the following:

	March 31	
	2009	2008
Balance, beginning of period	$ 276,211	$ 188,137
Income tax currently payable	29,632	66,319
Payment	(11,478)	(267)
Balance, end of period	$ 294,365	$ 254,189

d. Net deferred income taxes as of March 31, 2009 and 2008 were as follows:

	March 31	
	2009	2008
Current		
Deferred income tax assets		
Allowance for loss on inventories	$ 25,213	$ 31,852
Unrealized product warranty reserve	6,983	10,212
Excess provisions for doubtful receivables	-	6,958
Others	2,200	5,000
	34,396	54,022
Deferred income tax liabilities		
Unrealized foreign exchange gain	(2,443)	(2,361)
Deferred income tax assets, net	$ 31,953	$ 51,661
Noncurrent		
Deferred income tax assets:		
Deferred income	$ 33,003	$ 53,743
Accumulated equity in the net loss of investees	27,360	27,107
Pension cost	26,419	26,865
	86,782	107,715
Valuation allowance	(27,360)	(27,107)
	59,422	80,608
Deferred income tax liabilities:		
Accumulated equity in the net gain of foreign investees	(304,300)	(355,207)
Deferred income tax liabilities, net	$ (244,878)	$ (274,599)

The income tax rate used to recognize deferred income tax was 25%.

e. As of March 31, 2009, the Company's five years exemption on the income was as follows:

Investment Plan	Exemption Period
The industry 500 MHz thin client production	From 2006 to 2010

f. Based on Article 70-1 of the Statute for Upgrading Industries, companies will be exempt from the profit-seeking enterprise tax on the following incomes if they use worldwide resources and set up an international operating network or if they establish operating headquarters within the territory of the Republic of China that is of a specific size and will bring about significant economic benefits:

1) Income from providing management services or R&D services to its affiliates abroad;
2) Royalty payment received from its affiliates abroad; and/or
3) Returns on investments and gains on asset disposal by overseas affiliates.

g. The information on the Company's integrated income tax is as follows:

	March 31	
	2009	2008
Balance of the imputation credit account (ICA)	$ 247,394	$ 269,712
The balances of unappropriated retained earnings generated before 1997	$ 81,329	$ 81,329

The expected and actual creditable tax ratios for earnings were 15.59% and 9.64%, as of December 31, 2008 and 2007, respectively. The imputation credit allocated to the shareholders is based on its balance as of the date of dividend distribution. The expected creditable ratio may change when the actual allocation of the imputation credits is made.

h. Income tax returns through 2005 had been examined and cleared by the tax authorities. However, the tax authorities made an assessment on the Company's 2003 return, but Company disagreed with this assessment. Thus, the Company requested for a reexamination of its return. As of April 20, 2009, the date of the accompanying accountants' review report, the reexamination was in progress; nevertheless, the Company recognized the payable on this case.

14. PERSONNEL EXPENSES, DEPRECIATION AND AMORTIZATION

	Three Months Ended March 31					
	2009			2008		
	Included in Cost of Goods Sold	Included in Operating Expenses	Total	Included in Cost of Goods Sold	Included in Operating Expenses	Total
Personnel expenses						
Payroll	$ 64,347	$ 240,265	$ 304,612	$ 58,044	$ 228,935	$ 286,979
Insurance	6,055	14,138	20,193	4,851	11,155	16,006
Pension	4,021	9,564	13,585	3,887	9,282	13,169
Others	4,747	10,528	15,275	4,339	9,548	13,887
	$ 79,170	$ 274,495	$ 353,665	$ 71,121	$ 258,920	$ 330,041
Depreciation	$ 9,670	$ 19,956	$ 29,626	$ 9,704	$ 16,871	$ 26,575
Amortization	27	10,300	10,327	188	10,505	10,693

15. EARNINGS PER SHARE

The numerators and denominators used in calculating earnings per share (EPS) were as follows:

	Amount (Numerator)		Shares (Denominator)	Earnings Per Share	
	Pretax	After-tax	(Thousands)	Pretax	After-tax
Three months ended March 31, 2009					
Basic EPS	$ 435,740	$ 376,027	496,859	$ 0.88	$ 0.76
Impact of dilutive potential common stock					
Employees' stock options	-	-	68		
Bonuses to employees	-	-	6,062		
Diluted EPS	$ 435,740	$ 376,027	502,989	$ 0.87	$ 0.75
Three months ended March 31, 2008					
Basic EPS	$ 713,723	$ 631,077	503,873	$ 1.42	$ 1.25
Impact of dilutive potential common stock					
Employees' stock options	-	-	272		
Bonuses to employees	-	-	2,139		
Diluted EPS	$ 713,723	$ 631,077	506,284	$ 1.41	$ 1.25

The EPS was retroactively adjusted for the stock dividends declared. Thus, in the three months ended March 31, 2008, pretax and after-tax basic EPS decreased from NT$1.50 to NT$1.42 and from NT$1.33 to NT$1.25, respectively, and pretax and after-tax diluted EPS decreased from NT$1.50 to NT$1.41 and from NT$1.33 to NT$1.25, respectively.

16. RELATED-PARTY TRANSACTIONS

a. Related parties

Related Party	Relationship with the Company
Advantech Investment Fund-A Co., Ltd. (Advantech Fund-A)	Equity-method investee
Axiomtek Co., Ltd. (Axiomtek)	Equity-method investee
Advantech Investment & Management Service (AIMS)	Equity-method investee
Advansus Corp.	Equity-method investee
Advantech Europe Holding B.V. (AEU)	Equity-method investee
Advantech Co. Singapore Pte, Ltd. (ASG)	Equity-method investee
Advantech Hungary Ltd. (AHG)	Equity-method investee
Advantech Japan Co., Ltd. (AJP)	Equity-method investee
SG Advantech Co., Ltd. (former name: Advantech Technologies Co., Ltd.) (AKR)	The Company was AKR's director (AKR was an equity-method investee until December 2008)
Advantech Technology Co., Ltd. (ATC)	Equity-method investee
Advantech (YanShun) Holding Co., Ltd. (AYS)	Equity-method investee

(Continued)

Related Party	Relationship with the Company
Advantech Australia Pty Ltd. (AAU)	Equity-method investee
Advantech Automation Corp. (BVI) (AAC (BVI))	Equity-method investee
Advantech Co., Malaysia Sdn. Bhd (AMY)	Equity-method investee
Advantech Europe GmbH (ADL)	Equity-method investee of AEU
Advantech Europe B.V. (AESC)	Equity-method investee of AEU
Advantech Poland Sp. z o.o. (APL)	Equity-method investee of AEU
Advantech Automation Corp. (H.K.) Limited (AAC (HK))	Equity-method investee of AAC (BVI)
Advantech (H.K.) Technology Co., Ltd. (ATC (HK))	Equity-method investee of ATC
Advantech Technology (China) Company Ltd. (AKMC)	Equity-method investee of ATC (HK)
Advantech Electronic Technology (Dongguan) Co., Ltd. (ADMC)	Equity-method investee of AYS
Advantech Corp. (ANA)	Equity-method investee of AAC (BVI)
Beijing Yan Hua Xing Ye Electronic Science & Technology Co., Ltd. (ACN)	Equity-method investee of AAC (HK)
Yan Hua Xing Ye Electronic (SHHQ)	Equity-method investee of AAC (HK)
Advantech Control (M) Sdn. Bhd. (AKL)	Equity-method investee of ASG
Advantech Automation (Penang) Sdn. Bhd. (APN)	Equity-method investee of ASG
Advantech Corporation (Thailand) Co. (ATH)	Equity-method investee of ASG
Netstar Technology Co., Ltd. (“Netstar”)	Equity-method investee of Advantech Fund-A
BCM Embedded Computer Inc. (BCM)	Equity-method investee of Advantech Fund-A
Broadwin Technology, Inc. (“Broadwin”)	Equity-method investee of Advantech Fund-A
Jan Hsiang Electronics Co., Ltd. (“Jan Hsiang”)	Equity-method investee of Netstar
Advantech Brazil S/A (ABR)	Related party in substance
Avalue Technology Inc.	The Company’s chairman is the Avalue Technology Inc.’s director
Shanghai Advantech Intelligent Services Co., Ltd. (AINS)	Equity-method investee of AAC (HK)
Xi’an Advantech Software Ltd. (AXA)	Equity-method investee of AAC (HK)

(Concluded)

b. The significant transactions with the above related parties, in addition to those disclosed in Note 17 and Table 2 are summarized as follows:

	2009		2008	
	Amount	% of Total	Amount	% of Total
Three months ended March 31				
1) Sales				
ANA	$ 567,807	24	$ 790,415	26
ACN	453,594	19	534,636	18
AESC	381,442	16	555,214	19
AINS	163,030	7	-	-
AKR	71,323	3	67,110	2
AJP	59,322	2	67,632	2
AAU	34,297	1	31,490	1
AKMC	31,839	1	7,211	-

	2009 Amount	2009 % of Total	2008 Amount	2008 % of Total
ABR	$ 21,625	1	$ 16,225	1
ASG	20,354	1	32,316	1
ATH	4,915	-	6,477	-
Axiomtek	3,950	-	3,476	-
AMY	3,186	-	6,817	-
APL	2,467	-	3,193	-
Avalue Technology Inc.	2,147	-	-	-
Advansus Corp.	1,533	-	3,938	-
Broadwin	1,491	-	-	-
Others	115	-	380	-
	$ 1,824,437	75	$ 2,126,530	70

2) Purchase of materials and supplies

	2009 Amount	2009 % of Total	2008 Amount	2008 % of Total
ATC	$ 793,592	45	$ 827,679	39
Advansus Corp.	239,971	13	119,768	6
AYS	98,132	5	128,087	6
ANA	10,799	1	8,321	-
Nestar	6,492	-	5,514	-
Jan Hsiang	3,403	-	5,174	-
ACN	578	-	1,109	-
AESC	165	-	252	-
ADL	56	-	-	-
Axiomtek	19	-	509	-
Others	544	-	703	-
	$ 1,153,751	64	$ 1,097,116	51

3) Rental expenses

	2009 Amount	2009 % of Total	2008 Amount	2008 % of Total
Advansus Corp.	$ 2,664	-	$ 987	-

4) Royalty revenue for patent (part of nonoperating income)

	2009 Amount	2009 % of Total	2008 Amount	2008 % of Total
ATC	$ 39,983	100	$ 41,378	100

5) Rental revenues (part of nonoperating income; revenues were from the rental of office spaces under renewable one-year leases)

	2009 Amount	2009 % of Total	2008 Amount	2008 % of Total
Advansus Corp.	$ 1,755	27	$ 870	27
BCM	195	3	75	2
AIMS	75	1	75	2
Advantech Fund-A	9	-	9	-
	$ 2,034	31	$ 1,029	31

	2009 Amount	2009 % of Total	2008 Amount	2008 % of Total
6) Other revenue				
Advansus Corp.	$ 1,612	25	$ -	-
AKR	54	1	-	-
AIMS	6	-	-	-
	$ 1,672	26	$ -	-
March 31				
7) Receivables				
Accounts				
ACN	$ 411,628	27	$ 515,118	22
AESC	382,235	25	770,139	33
ANA	155,644	10	464,953	20
AINS	154,390	10	-	-
AKR	102,328	7	39,943	2
AAU	55,036	4	18,314	1
AJP	29,022	2	65,386	3
ABR	17,005	1	13,263	1
ASG	11,757	1	11,572	-
AKMC	10,519	1	30,394	1
APL	9,375	1	27,079	1
Axiomtek	4,735	1	1,988	-
AMY	4,155	-	4,587	-
ATH	1,682	-	1,114	-
Broadwin	1,539	-	-	-
Avalue Technology Inc.	1,503	-	-	-
ADMC	314	-	261	-
Advansus Corp.	179	-	3,992	-
SHHQ	-	-	4,493	-
Others	112	-	802	-
	1,353,158	90	1,973,398	84
8) Other receivables				
Dividends				
ATC	-	-	160,000	7
Proceeds of the return of capital by investee				
Advansus Corp.	120,000	8	200,000	9
Financing provided				
AKR	13,703	1	-	-
Other receivables				
AESC	7,037	1	314	-
ADL	3,565	-	5,897	-
Advansus Corp.	2,464	-	4,712	-
ANA	228	-	76	-
AJP	131	-	215	-
ASG	92	-	106	-
AKMC	-	-	2,204	-

	2009 Amount	2009 % of Total	2008 Amount	2008 % of Total
AYS	$ -	-	$ 212	-
ACN	-	-	120	-
Others	430	-	190	-
	13,947	1	14,046	-
	$ 1,500,808	100	$ 2,347,444	100

9) Payables

	2009 Amount	2009 % of Total	2008 Amount	2008 % of Total
Accounts				
ATC	$ 596,714	84	$ 541,215	78
AYS	58,041	9	102,548	15
Advansus Corp.	35,480	5	36,589	5
ANA	6,672	1	4,362	1
Nestar	4,845	1	3,585	1
AMY	2,718	-	-	-
ADL	2,213	-	-	-
Jan Hsiang	1,774	-	1,658	-
APL	1,087	-	-	-
AESC	374	-	1,996	-
Others	1,682	-	1,300	-
	711,600	100	693,253	100
10) Others - payments on behalf of others				
ATH	297	-	-	-
ABR	23	-	-	-
ADL	-	-	3,234	-
	320	-	3,234	-
	$ 711,920	100	$ 696,487	100

11) Financing to related parties:

Financing to related parties was as follows:

	Three Months Ended March 31, 2009			
Related Party	**Maximum Balance**	**Ending Balance**	**Interest Rate**	**Interest Revenue**
AKR	$ 13,703	$ 13,703	5%	$ 54

An operating lease contract with related parties on the use of a building was based on market prices and made under normal terms. Product sales were conducted under normal terms. The payment terms for related parties were 30 to 90 days. Terms for third parties were 30 to 60 days.

17. SIGNIFICANT COMMITMENTS AND CONTINGENCIES

As of March 31, 2009, the Company had the following guarantees for affiliate's loans:

	Amount
AKMC	US$ 18,600 thousand
Netstar	$ 220,000 thousand
Advansus Corp.	$ 100,000 thousand

18. FINANCIAL INSTRUMENTS

a. Fair values of financial instruments were as follows:

	March 31			
	2009		2008	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Nonderivative financial instruments				
Assets				
Available-for-sale financial assets - current	$ -	$ -	$ 1,035,582	$ 1,035,582
Available-for-sale financial assets - noncurrent	1,692,944	1,692,944	3,698,427	3,698,427
Derivative financial instruments location				
Financial assets at fair value through profit or loss - current				
Domestic	-	-	1	1
Foreign (foreign corporation operating in domestic district included)	1,072	1,072	412	412
Financial liabilities at fair value through profit or loss - current				
Domestic	2,224	2,224	3,728	3,728
Foreign (foreign corporation operating in domestic district included)	1,542	1,542	8,416	8,416

b. Methods and assumptions used in the determination of fair values of financial instruments were as follows:

1) For financial instruments such as cash, notes and accounts receivables, receivables from related parties, other receivables, accounts payables and payables to related parties and refundable deposits, the carrying amounts of these financial instruments approximate their fair values.

2) Fair values of available-for-sale financial assets were based on their quoted market price.

3) Fair values of derivatives were determined using the quoted market prices, using valuation techniques incorporating estimates and assumptions that are consistent with those prevailing in the market.

c. The fair values of the Company's financial assets and liabilities were based on the quoted market prices or determined using certain valuation techniques, as follows:

	March 31			
	Based on Quoted Market Price		**Determined Using Valuation Techniques**	
	2009	**2008**	**2009**	**2008**
Asset				
Financial assets at fair value through profit or loss - current	$ -	$ -	$ 1,072	$ 413
Available-for-sale financial assets - current	-	1,035,582	-	-
Available-for-sale financial assets - noncurrent	1,692,944	3,698,427	-	-
Liabilities				
Financial liabilities at fair value through profit or loss - current	-	-	3,766	12,144

d. As of March 31, 2009 and 2008, financial assets exposed to fair value interest rate risk amounted to $1,523,748 thousand and $564,843 thousand, respectively, and financial assets exposed to cash flow interest rate risk amounted to $221,012 thousand and $112,106 thousand, respectively.

e. The Company recognized unrealized losses of $38,671 thousand and $349,059 thousand in shareholders' equity for the changes in fair value of available-for-sale financial assets for the three months ended March 31, 2009 and 2008, respectively. The Company also recognized unrealized losses of $36 thousand and gains of $3,007 thousand in shareholders' equity for the changes in available-for-sale financial assets held by equity-method investees for the three months ended March 31, 2009 and 2008, respectively.

f. Financial risks

1) Market risk. The derivative financial instruments categorized as financial assets at fair value through profit or loss are mainly used to hedge exchange rate fluctuations of foreign currency-denominated assets and liabilities. Thus, the market risk of derivatives will be offset by the gain or loss on the exchange rate fluctuations of hedged assets and liabilities. Available-for-sale financial assets held by the Company are mainly mutual funds and publicly traded stocks. Thus, price fluctuations in the open market would result in changes in fair values of these financial instruments.

2) Credit risk. Credit risk represents the potential loss that would be incurred by the Company if the counter-parties breach the contracts. Contracts with positive fair values on the balance sheet date are evaluated for credit risk. Since the counter-parties to the foregoing derivative financial instruments are reputable financial institutions, management believes its exposure to default by counter-parties is low.

3) Liquidity risk. The Company has sufficient operating capital to meet cash needs upon settlements of derivative financial instruments. Therefore, the cash flow risk is low. In addition, for long-term equity-method investments (mutual funds and publicly traded stocks), the Company keeps liquidity reserves, which are available on a short-term basis. Additionally, the contracted forward rate is decided on the contract starting dates. Thus, the cash flow risk on forward contracts is low.

19. ADDITIONAL DISCLOSURES

a. Except for those mentioned in Note 16 and Tables 1 to 7, no additional disclosures are required by the Securities and Futures Bureau for the Company and investees.

b. Investments in mainland China

1) Investee company name, main business and products, total amount of paid-in capital, investment type, investment flows, percentage ownership of direct or indirect investment, investment gains (losses), carrying value as of March 31, 2009, accumulated inward remittance of earnings as of March 31, 2009 and upper limit on investment: Table 8 (attached)

2) Significant transaction with overseas subsidiary with direct or indirect investment in China: Notes 16 and 17 and Tables 1, 2, 5 and 6.

ADVANTECH CO., LTD. AND INVESTEES

FINANCING PROVIDED
THREE MONTHS ENDED MARCH 31, 2009
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Financier	Counter-party	Financial Statement Account	Maximum Balance for the Period	Ending Balance	Interest Rate	Nature of Financing	Transaction Amount (Note I)	Financing Reasons	Allowance for Bad Debt	Collateral		Maximum Amount of Financing to Individual Counter-party	Maximum Amount of Financing that Can Be Provided by the Financier
											Item	Value		
0	ACL	AKR	Receivables from related parties	$ 13,703 (KRW555,000 thousand)	$ 13,703 (KRW555,000 thousand)	5.00%	Service intercourse	Sale 280,348 thousand	Service intersource	$ -	-	$ -	$ 101,730 (Note B)	$ 101,730 (Note B)
1	AEU	ADL	Receivables from related parties	31,521 (EUR 700 thousand)	31,521 (EUR 700 thousand)	4.00%	Short-term financing	-	Financing need	-	-	-	767,049 (Note C)	1,534,097 (Note C)
2	SHHQ	ACN	Receivables from related parties	26,392 (EUR 5,321 thousand)	11,959 (EUR 2,411 thousand)	3.00%	Short-term financing	-	Financing need	-	-	-	767,049 (Notes C and D)	1,534,097 (Notes C and D)
3	ACN	AKMC	Receivables from related parties	100,509 (RMB 20,264 thousand)	100,509 (RMB 20,264 thousand)	3.50%	Short-term financing	-	Financing need	-	-	-	767,049 (Notes C and D)	1,534,097 (Notes C and D)
4	ANA	AESC	Receivables from related parties	101,730 (RMB 3,000 thousand)	101,730 (RMB 3,000 thousand)	2.00%	Short-term financing	-	Financing need	-	-	-	767,049 (Notes C and D)	1,534,097 (Notes C and D)
5	ANA	AESC	Receivables from related parties	101,730 (RMB 3,000 thousand)	101,730 (RMB 3,000 thousand)	2.00%	Short-term financing	-	Financing need	-	-	-	767,049 (Notes C and D)	1,534,097 (Notes C and D)
6	Netstar Technology Co., Ltd.	Netstar Electronics Co., Ltd.	Receivables from related parties	93,507	93,507	-	Service intercourse	Purchase 323,661 thousand	Service intercourse	-	-	-	323,661 (Note E)	323,661 (Note E)
7	Netstar Technology Co., Ltd.	LANSONIC (BVI)	Receivables from related parties	3,608	3,608	-	Short-term financing	-	Financing need	-	-	-	27,568 (Note F)	55,136 (Note G)

Notes:

A. The exchange rate was EUR1.00=NT$45.03; RMB1.00= NT$4.96; US$1=NT$33.91; KRW1=0.025.

B. Based on the resolution of the board of directors of Advantech Co., Ltd. (ACL), the maximum amount of financing provided by ACL was US$3,000 thousand.

C. The maximum amount of financing to individual counter-party and the maximum amount of financing that can be provided by the financier are 15% and 30% of the parent company's issue capital stock, respectively.

D. For more efficient use of capital among subsidiaries in Mainland China, the maximum amount of financing that can be provided by the financier is RMB30,000 thousand and ACN handle the overall planning on the capital by Citibank account.

E. The amount of the service intercourse between Netstar and its subsidiary.

F. 20% of the net asset value of Netstar Technology Co., Ltd.

G. 40% of the net asset value of Netstar Technology Co., Ltd.

H. All intercompany investments and investment gains (losses) have been eliminated.

I. The transaction amount is the total amount of prior year between Financier and Counter-party.

ADVANTECH CO., LTD. AND INVESTEES

ENDORSEMENT/GUARANTEE PROVIDED
THREE MONTHS ENDED MARCH 31, 2009
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorsement/Guarantee Provider	Counter-party		Limits on Each Counter-party's Endorsement/ Guarantee Amounts	Maximum Balance for the Year	Ending Balance	Value of Collaterals Property, Plant, and Equipment	Ratio of Accumulated Amount of Collateral to Net Equity of the Latest Financial Statements (%)	Maximum Collateral/ Guarantee Amounts Allowable
		Name	Nature of Relationship						
0	Advantech Co., Ltd. (the "Company")	AKMC	Indirect subsidiary	$ 767,049 (Note A)	$ 630,726 (US$ 18,600 thousand)	$ 630,726 (US$ 18,600 thousand)	$ -	5.27	$ 1,534,097 (Note B)
		Netstar Technology Co., Ltd.	Indirect subsidiary	767,049 (Note A)	220,000	220,000	-	1.84	1,534,097 (Note B)
		Advansus Corp.	Equity-method investee	767,049 (Note A)	100,000	100,000	-	0.84	1,534,097 (Note B)

Note: A. 15% of the Company's issued capital stock.

B. 30% of the Company's issued capital stock.

C. The exchange rate was US$1.00=NT$33.91.

TABLE 3

ADVANTECH CO., LTD. AND INVESTEES

MARKETABLE SECURITIES AND LONG-TERM INVESTMENTS
MARCH 31, 2009
(In Thousands of New Taiwan Dollars)

Company Holding the Securities	Securities Type and Issuer	Relationship with the Holding Company	Financial Statement Account	March 31, 2009				Note
				Shares	Carrying Value	Percentage of Ownership	Market Value or Net Asset Value	
Advantech Co., Ltd. (the "Company")	Stock							
	AAC (BVI)	Investee	Long-term equity investments	32,606,500	$ 1,875,514	100.00	$ 1,875,514	Note A
	ATC	"	"	32,750,000	1,671,515	100.00	1,671,515	Note A
	Advansus Corp.	"	"	18,000,000	191,731	50.00	191,731	Note A
	Advantech Fund-A	"	"	70,000,000	623,337	100.00	623,337	Note A
	Axiomtek	"	"	21,353,345	365,900	27.96	365,900	Note A
	AEU	"	"	9,572,024	399,506	100.00	399,506	Note A
	ASG	"	"	1,450,000	67,299	100.00	67,299	Note A
	AAU	"	"	500,204	72,316	100.00	72,316	Note A
	AJP	"	"	1,200	119,648	100.00	119,648	Note A
	AYS	"	"	12,300,000	96,282	100.00	96,282	Note A
	AMY	"	"	2,000,000	39,303	100.00	39,303	Note A
	AHG	"	"	30	18,132	30.00	18,132	Note A
	AIMS	"	"	500,000	5,873	100.00	5,873	Note A
	AHK	"	Other liability - others	999,999	(5,315)	100.00	(5,315)	Notes A and C
	ASUSTek Computer Inc.	-	Available for sale financial assets - noncurrent	45,698,339	1,629,146	1.08	1,629,146	Note B
	AKR	"	"	778,032	63,798	10.63	63,798	Note B
Advantech Fund-A	Stock							
	Timson Tech Co. (TTC)	Investee	Long-term equity investments	270,000	8,096	30.00	8,096	Note A
	Netstar Technology Co., Ltd.	"	"	18,064,351	182,598	72.26	182,598	Note A
	BCM Embedded Computer Inc.	"	"	5,000,000	25,645	100.00	25,645	Note A
	Broadwin Technology, Inc.	"	"	6,652,210	110,454	70.28	110,454	Note A
	Avalue Technology Inc.	-	Financial assets carried at cost - noncurrent	3,165,000	88,637	8.77	88,637	-
	Superior Technology Co., Ltd.	-	"	1,095,910	33,441	13.22	33,441	-
	COBAN Research and Technologies, Inc.	-	"	600,000	33,257	7.00	33,257	-
	Chunghwa Telecom Co., Ltd.	-	Available for sale financial assets - current	206,192	12,763	-	12,763	Note B
TTC	Shares							
	Kunshan Timson Tech Co., Ltd.	Investee	Long-term equity investments	-	25,940	100.00	25,940	Note A
ATC	Stock							
	ATC (HK)	"	"	35,650,000	1,280,448	100.00	1,280,448	Note A
ATC (HK)	Shares							
	AKMC	"	"	-	1,280,520	100.00	1,280,520	Note A

(Continued)

Company Holding the Securities	Securities Type and Issuer	Relationship with the Holding Company	Financial Statement Account	March 31, 2009				Note
				Shares	Carrying Value	Percentage of Ownership	Market Value or Net Asset Value	
AYS	<u>Shares</u>							
	ADMC	Investee	Long-term equity investments	-	$ 72,209	100.00	$ 72,209	Note A
AAC (BVI)	<u>Stock</u>							
	ANA	”	”	10,952,606	1,021,570	100.00	1,021,570	Note A
	AAC (HK)	”	”	12,230,000	854,369	100.00	854,369	Note A
AAC (HK)	<u>Shares</u>							
	ACN	”	”	-	463,521	100.00	463,521	Note A
	SHHQ	”	”	-	86,410	100.00	86,410	Note A
	AINS			-	280,261	100.00	280,261	Note A
	AXA			-	23,105	100.00	23,105	Note A
ACN	<u>Shares</u>							
	Hangzhou Advantofine Automation Co., Ltd.	”	”	-	4,857	50.00	4,857	Note A
AEU	<u>Stock</u>							
	AESC	”	”	8,314,280	132,686	100.00	132,686	Note A
	ADL	”	”	1,142,000	6,633	100.00	6,633	Note A
	APL	”	”	6,530	27,311	92.89	27,311	Note A
ASG	<u>Stock</u>							
	ATH	”	”	30,000	6,115	30.00	6,115	Note A
	APN	”	”	570,570	5,527	55.00	5,527	Note A
	AKL	”	”	418,000	3,643	55.00	3,643	Note A
Netstar Technology Co.,	<u>Stock</u>							
Ltd.	LANSONIC (BVI)	Investee	Other liability - others	3,527,529	(34,232)	94.83	(34,232)	Notes A and C
	Jan Hsiang Electronics Co., Ltd.	”	Long-term equity investments	1,520,000	14,137	76.00	14,137	Note A
	Lantech Communications Inc.	”	Other liability - others	1,159,500	-	77.30	-	Note A
Broadwin Technology,	<u>Stock</u>							
Inc.	Broadwin Technology Inc.	Investee	Long-term equity investments	1,916,475	19,323	100.00	19,323	Note A
LANSONIC (BVI)	<u>Shares</u>							
	Netstar Electronics Corporation	”	Other liability - others	-	HK$ (27,479)	100.00	HK$ (27,479)	Notes A and C

Note A: The net asset values were based on un-reviewed financial statements.

Note B: Market value was based on the closing price on March 31, 2009.

Note C: The credit balance on investment carrying value is shown as part of other liabilities.

(Concluded)

ADVANTECH CO., LTD. AND INVESTEES

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
THREE MONTHS ENDED MARCH 31, 2009
(In Thousands of New Taiwan Dollars)

Company Holding the Securities	Securities Type and Name/Issuer	Financial Statement Account	Counter-party	Nature of Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Shares	Amount	Shares	Amount	Shares	Amount	Carrying Value	Gain (Loss) on Disposal	Shares	Amount
Advantech Co., Ltd. (the "Company")	Stock Advansus Corp.	Long-term equity investments	-	Subsidiary	30,000,000.00	$ 303,998	-	$ -	12,000,000	$ 120,000 (Note A)	$ 120,000 (Note A)	$ -	18,000,000	$ 191,731

Note A: Proceeds of the investees' return of capital in cash.

ADVANTECH CO., LTD. AND INVESTEES

TOTAL PURCHASE FROM OR SALE TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
THREE MONTHS ENDED MARCH 31, 2009
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Payable or Receivable		Note
			Purchase/ Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
Advantech Co., Ltd.	ANA	Indirect subsidiary	Sale	$ (567,807)	(24)	Set for 45 days a month	$ -	-	$ 155,644	8	
	AESC	Indirect subsidiary	Sale	(381,442)	(16)	Set for 45 days a month	-	-	382,235	19	
	ACN	Indirect subsidiary	Sale	(453,594)	(19)	Set for 45 days a month	-	-	411,628	21	
	AINS	Indirect subsidiary	Sale	(163,030)	(7)	Set for 45 days a month	-	-	154,390	10	
	ATC	Subsidiary	Purchase	793,592	45	Set for 60 days a month	-	-	(596,714)	63	
	Advansus Corp.	Investee	Purchase	239,971	13	Set for 30 days a month	-	-	(35,480)	5	
ATC	Advantech Co., Ltd.	Parent company	Sale	(793,592)	(100)	Set for 60 days a month	-	-	596,714	96	
Advansus Corp.	Advantech Co., Ltd.	Parent company	Sale	(239,971)	(34)	Set for 30 days a month	-	-	35,480	11	
AC	Advantech Co., Ltd.	Ultimate parent company	Purchase	567,807	57	Set for 45 days a month	-	-	(155,644)	(58)	
AESC	Advantech Co., Ltd.	Ultimate parent company	Purchase	381,442	87	Set for 45 days a month	-	-	(382,235)	(74)	
ACN	Advantech Co., Ltd.	Ultimate parent company	Purchase	453,594	63	Set for 45 days a month	-	-	(411,628)	(80)	
AINS	Advantech Co., Ltd.	Ultimate parent company	Purchase	163,030	58	Set for 45 days a month	-	-	(154,390)	63	
AKMC	Advansus Corp.	Related enterprise	Purchase	325,898	49	Set for 30 days after a month	-	-	(163,799)	(29)	
Advansus Corp.	AKMC	Related enterprise	Sale	(325,898)	(45)	Set for 30 days after a month	-	-	163,799	53	

TABLE 6

ADVANTECH CO., LTD. AND INVESTEES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
MARCH 31, 2009
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Ending Balance	Turnover Rate (Times)	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amount	Action Taken		
Advantech Co., Ltd.	AESC	Indirect subsidiary	$ 382,235	3.49	$ -	-	$ -	$ -
	ACN	Indirect subsidiary	411,628	4.17	-	-	98,683	-
	ANA	Indirect subsidiary	155,644	11.72	-	-	-	-
	AINS	Indirect subsidiary	154,390	8.45	-	-	-	-
	AKR	Indirect subsidiary	102,328	3.00	-	-	19,284	-
ATC	Advantech Co., Ltd.	Parent company	596,714	5.51	-	-	-	-

ADVANTECH CO., LTD. AND INVESTEES

NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTEES ON WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE
THREE MONTHS ENDED MARCH 31, 2009
(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount: March 31, 2009	Investment Amount: December 31, 2008	Balance as of March 31, 2009: Shares	Balance as of March 31, 2009: Percentage of Ownership	Balance as of March 31, 2009: Carrying Value	Net Income (Loss) of the Investee	Investment Gain (Loss) (Note B)	Note
Advantech Co., Ltd.	AAC (BVI)	BVI	Investment holding company	$ 1,078,934	$ 1,078,934	32,606,500	100.00	$ 1,875,514	$ 29,892	$ 28,969	Subsidiary
	ATC	BVI	Sale of industrial automation products	1,044,818	1,044,818	32,750,000	100.00	1,671,515	40,012	43,511	Subsidiary
	Advansus Corp.	Taipei, Taiwan	Production and sale of industrial automation products	180,000	300,000	18,000,000	50.00	191,731	14,110	7,732	Equity-method investee
	AEU	Helmond, the Netherlands	Investment holding company	426,930	426,930	9,572,024	100.00	399,506	(6,262)	(6,262)	Subsidiary
	Advantech Fund-A	Taipei, Taiwan	General investment	700,000	700,000	70,000,000	100.00	623,337	(1,604)	(1,604)	Subsidiary
	Axiomtek	Taipei, Taiwan	Production and sale of industrial automation products	269,222	269,222	21,353,345	27.96	365,900	56,025	15,986	Equity-method investee
	ASG	Techplace, Singapore	Sale of industrial automation products	27,134	27,134	1,450,000	100.00	67,299	(2,487)	(2,487)	Subsidiary
	AAU	Sydney, Australia	Sale of industrial automation products	40,600	40,600	500,204	100.00	72,316	1,601	1,601	Subsidiary
	AJP	Tokyo, Japan	Sale of industrial automation products	15,472	15,472	1,200	100.00	119,648	(11,248)	(11,248)	Subsidiary
	AYS	Cayman Islands	Sale of industrial automation products	51,662	51,662	12,300,000	100.00	96,282	2,004	2,622	Subsidiary
	AMY	Kuala Lumpur, Malaysia	Sale of industrial automation products	35,140	35,140	2,000,000	100.00	39,303	(721)	(721)	Subsidiary
	AHG	Budapest, Hungary	Sale of industrial automation products	5,215	5,215	30	30.00	18,132	-	-	Equity-method investee
	AIMS	Taipei, Taiwan	Investment and management service	5,000	5,000	500,000	100.00	5,873	63	63	Subsidiary
	AHK	Mongkok, Hong Kong	Sale of industrial automation products	4,393	4,393	999,999	100.00	(5,315)	(939)	(939)	Subsidiary (Note A)
Advantech Fund-A	Netstar Technology Co., Ltd.	Taipei	Production and sale of industrial automation products	223,940	212,272	18,064,351	72.26	182,598	2,888	2,138	Indirect subsidiary
	TTC	Brunei	Investment holding company	8,323	8,323	270,000	30.00	8,096	-	-	Equity-method investee
	BCM Embedded Computer Inc.	Taipei	Telecommunications equipment and electronic parts manufacturing	45,500	30,500	2,000,000	100.00	25,645	(4,641)	(4,641)	Indirect subsidiary
	Broadwin Technology, Inc.	Taipei, Taiwan	Assembly and production of computers	99,783	99,783	6,652,210	70.28	110,454	1,180	829	Indirect subsidiary
ATC	ATC (HK)	Hong Kong	Investment holding company	1,026,430	1,026,430	35,650,000	100.00	1,280,448	(32,993)	(32,993)	Indirect subsidiary
ATC (HK)	AKMC	Kunshan, China	Production and sale of components of industrial automation products	1,026,430	1,026,430	-	100.00	1,280,520	(32,993)	(32,993)	Indirect subsidiary
AYS	ADMC	Guangzhou, China	Production and sale of components of industrial automation products	51,662	51,662	-	100.00	72,209	(2,581)	(2,581)	Indirect subsidiary
Timson Tech Co. (TTC)	Kunshan Timson Tech Co., Ltd.	Kunshan, China	Processes and sale of peripherals	30,222	30,222	-	100.00	25,940	-	-	Equity-method investee
AAC (BVI)	ANA	Sunnyvale, USA	Sale and fabrication of industrial automation products	504,179	504,179	10,952,606	100.00	1,021,570	6,396	6,396	Indirect subsidiary
	AAC (HK)	Hong Kong	Investment holding company	539,146	539,146	12,230,000	100.00	854,369	23,578	23,578	Indirect subsidiary
AAC (HK)	ACN	Beijing, China	Sale of industrial automation products	185,356	185,356	-	100.00	463,521	31,135	31,135	Indirect subsidiary
	SHHQ	Shanghai, China	Sale of industrial automation products	96,750	96,750	-	100.00	86,410	(7,810)	(7,810)	Indirect subsidiary
	AINS	Shanghai, China	Sale of industrial automation products	257,040	257,040	-	100.00	280,261	5,681	5,681	Indirect subsidiary
	AXA	Xi'an, China	Development and production of software products	32,960	32,960	-	100.00	23,105	(5,261)	(5,261)	Indirect subsidiary
ACN	Hangzhou Advantofine Automation Co., Ltd.	Hangzhou, China	Processes and sale of peripherals	6,660	6,660	-	50.00	4,857	855	428	Equity-method investee
AEU	AESC	Eindhoven, the Netherlands	Sale of industrial automation products	90,450	90,450	8,314,280	100.00	132,686	527	527	Indirect subsidiary
	ADL	Munich, Germany	Sale of industrial automation products	46,028	46,028	1,142,000	100.00	6,633	(10,593)	(10,593)	Indirect subsidiary
	APL	Warsaw, Poland	Sale of industrial automation products	10,285	10,285	6,530	92.89	27,311	3,029	3,029	Indirect subsidiary
ASG	APN	Penang, Malaysia	Sale of industrial automation products	8,181	8,181	570,570	55.00	5,527	-	-	Indirect subsidiary
	ATH	Thailand	Production of computers	2,495	2,495	30,000	30.00	6,115	(1,693)	(508)	Indirect subsidiary
	AKL	Kuala Lumpur, Malaysia	Sale of industrial automation products	7,264	7,264	418,000	55.00	3,643	-	-	Indirect subsidiary

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of March 31, 2009			Net Income (Loss) of the Investee	Investment Gain (Loss) (Note B)	Note
				March 31, 2009	December 31, 2008	Shares	Percentage of Ownership	Carrying Value			
Netstar Technology Co., Ltd.	Jan Hsiang Electronics Co., Ltd.	Taipei	Electronic parts and components manufacturing	$ 11,500	$ 11,500	1,520,000	76.00	$ 14,137	$ 467	$ 355	Indirect subsidiary
	Lantech Communications Inc.	Taipei	Retail sale of electronic materials	11,595	11,595	1,159,500	77.30	-	-	-	Indirect subsidiary
	LANSONIC (BVI)	Akara Building 24 DeCastro Street, Wickhams Cay I, Road Fown Tortola, British Virgin Islands	General investment	101,188	101,188	3,527,529	94.83	(34,232)	457	433	Indirect subsidiary (Note A)
LANSONIC (BVI)	Netstar Electronics Corporation (Dongguan)	Guangzhou, China	Network and UPS product manufacture business	HK$ 2,935	HK$ 2,935	-	100.00	HK$ (27,479)	HK$ 104	HK$ 104	Indirect subsidiary (Note A)
Broadwin Technology, Inc.	Broadwin Technology Inc.	San Ramon, USA	Sale of webaccess software	22,491	22,491	1,916,475	100.00	19,323	(8)	(8)	Indirect subsidiary

Note A: The carrying value is shown as part of other liabilities.

Note B: The financial statements used as basis of net values were all unreviewed.

(Concluded)

ADVANTECH CO., LTD. AND INVESTEES

INVESTMENTS IN MAINLAND CHINA
THREE MONTHS ENDED MARCH 31, 2009
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type (e.g., Direct or Indirect)	Accumulated Outflow of Investment from Taiwan as of Jan. 1, 2009	Investment Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2009	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note A)	Carrying Value as of March 31, 2009	Accumulated Inward Remittance of Earnings as of March 31, 2009
					Outflow	Inflow					
Advantech Technology (China) Company Ltd. (AKMC)	Production and sale of components of industrial automation products	US$35,650 thousand	Indirect	$ 1,061,383 (US$ 31,300 thousand)	$ -	$ -	$ 1,061,383 (US$ 31,300 thousand)	100%	$ (32,993)	$ 1,280,520	$ -
Yan Hua Xing Ye Electronic (SHHQ)	Sale of industrial automation products	US$3,000 thousand	Indirect	101,730 (US$ 3,000 thousand)	-	-	101,730 (US$ 3,000 thousand)	100%	(7,810)	86,410	-
Beijing Yan Hua Xing Ye Electronic Science & Technology Co., Ltd. (ACN)	Sale of industrial automation products	US$4,230 thousand	Indirect	180,808 (US$ 5,332 thousand)	-	-	180,808 (US$ 5,332 thousand)	100%	31,135	463,521	380,979 (US$11,235 thousand)
Advantech Electronic Technology (Dongguan) Co., Ltd.	Production and sale of industrial automation products	US$1,400 thousand	Indirect	(Note C)	-	-	(Note C)	100%	(2,581)	72,209	-
Shanghai Advantech Intelligent Services Co., Ltd.	Production and sale of industrial automation products	US$8,000 thousand	Indirect	271,280 (US$ 8,000 thousand)		-	271,280 (US$ 8,000 thousand)	100%	5,681	280,261	-
Xi'an Advantech Software Ltd.	Development and production of software products	US$1,000 thousand	Indirect	(Note D)		-	-	100%	(5,261)	23,105	-

Accumulated Investment in Mainland China as of March 31, 2009	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
$1,621,983 (US$47,832 thousand) (Note E)	$2,458,475 (US$72,500 thousand)	$7,236,190 (Note G)

(Continued)

Note A: The financial statements used as basis for calculating investment gain (loss) were all unreviewed.

Note B: The significant events, prices, payment terms and unrealized gains or losses generated on trading between Advantech Co., Ltd. and its investees in Mainland China are described in Note 17 to the financial statements and Tables 1, 2, 5 and 6.

Note C: Which remittance by Advantech Technology Co., Ltd.

Note D: Which remittance by Advantech Automation Corp. (H.K.) Limited.

Note E: Included the outflow on investment in Yan Hua (Guang Zhou Bao Shui Qu) Co., Ltd. (AGZ) of US$200 thousand. This company had liquidated already, after the capitals of the original investment is inflow back, the Company will submit this incident to MOEA for approving and terminating this case under the regulation.

Note F: The exchange rate was US$1.00=NT$33.91.

Note G: The upper limit on investment was based on 60% of the consolidated net asset value of Advantech Co., Ltd. (the "Company"). However, if the Company can get the approval of the Industrial Development Bureau under the Ministry of Economic Affairs to establish operating headquarters in China, there will be no limit on the amount that may be invested in Mainland China.

(Concluded)