

Advantech Co., Ltd. and Subsidiaries

**Consolidated 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 consolidated balance sheets of Advantech Co., Ltd. and subsidiaries as of March 31, 2009 and 2008, and the related consolidated 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 express an opinion 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 2 to the consolidated financial statements, the financial statements of the Company's subsidiaries as of and for the three months ended March 31, 2009 and 2008 had not been reviewed. The total assets of these subsidiaries were 48.05% (NT\$7,315,024 thousand) and 43.36% (NT\$7,551,957 thousand) of the Company's consolidated total assets as of March 31, 2009 and 2008, respectively. The total liabilities of these subsidiaries were 50.94% (NT\$1,611,266 thousand) and 57.18% (NT\$2,190,814 thousand) of the Company's consolidated total liabilities as of March 31, 2009 and 2008, respectively. The operating revenues of these subsidiaries were 79.96% (NT\$2,842,714 thousand) and 73.01% (NT\$3,029,391 thousand) of the Company's consolidated operating revenues in the three months ended March 31, 2009 and 2008, respectively. The net income of these subsidiaries were 15.20% (NT\$57,366 thousand) and 32.29% (NT\$203,387 thousand) of the Company's consolidated net income in the three months ended March 31, 2009 and 2008, respectively. Also, as stated in Note 9 to the financial statements, Advantech Co., Ltd. had investments accounted for by the equity method. The carrying value of these investments of NT\$398,243 thousand and NT\$549,537 thousand as of March 31, 2009 and 2008, respectively, and the Company's equity in these investees' net income amounting to NT\$15,477 thousand and NT\$18,300 thousand in the three months ended March 31, 2009 and 2008, respectively, were based on these investees' unreviewed financial statements for the same reporting periods as those of the Company.

Based on our reviews, except for the adjustments that might have been determined to be necessary had the subsidiaries and other equity-method investees' financial statements mentioned in the preceding paragraph been reviewed, we are not aware of any material modifications that should be made to the consolidated financial statements of Advantech Co., Ltd. and subsidiaries referred to in the first paragraph for them to be in conformity with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers; order VI-0960064020 issued by Financial Supervisory Commission under the Executive Yuan on November 15, 2007; and accounting principles generally accepted in the Republic of China.

As disclosed in Note 3 to the accompanying financial statements, the Company and subsidiaries adopted the newly revised Statement of Financial Accounting Standards 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.

April 20, 2009

Notice to Readers

The accompanying consolidated 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 consolidated financial statements are those generally accepted and applied in the Republic of China.

For the convenience of readers, the accountants' report and the accompanying consolidated 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 consolidated financial statements shall prevail.

ADVANTECH CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

MARCH 31, 2009 AND 2008

(In Thousands of New Taiwan Dollars, Except Par Value)

(Reviewed, Not Audited)

ASSETS	2009		2008		LIABILITIES AND SHAREHOLDERS' EQUITY	2009		2008	
	Amount	%	Amount	%		Amount	%	Amount	%
CURRENT ASSETS					CURRENT LIABILITIES				
Cash	\$ 2,912,552	19	\$ 1,992,905	11	Financial liabilities at fair value through profit or loss - current (Notes 2 and 5)	3,766	-	12,144	-
Financial assets at fair value through profit or loss - current (Notes 2 and 5)	1,072	-	413	-	Short-term bank loans (Notes 2, 12 and 18)	234,008	2	506,626	3
Available-for-sale financial assets - current (Notes 2 and 6)	12,763	-	1,410,050	8	Accounts payable (Note 17)	909,811	6	1,422,590	8
Notes receivable (Note 2)	177,397	1	183,681	1	Income tax payable (Note 2)	244,198	2	285,406	2
Accounts receivable, net of allowance for doubtful accounts of \$76,294 thousand in 2009 and \$80,369 thousand in 2008 (Note 2)	1,976,299	13	2,476,601	14	Accrued expenses (Note 14)	948,667	6	713,390	4
Receivables from related parties (Notes 2 and 17)	214,191	1	73,375	-	Long-term bank loans - current portion (Notes 2, 13 and 18)	3,375	-	13,371	-
Other receivables	35,767	-	90,459	1	Advance receipts and other current liabilities	453,842	3	399,523	2
Inventories, net (Notes 2, 3 and 7)	2,078,122	14	2,545,016	15	Total current liabilities	2,797,667	19	3,353,050	19
Deferred income tax assets - current (Note 2)	62,016	1	81,576	-					
Restricted assets - current (Note 18)	50,000	-	84,938	1	LONG-TERM LIABILITIES				
Prepayments and other current assets	452,873	3	278,010	2	Long-term bank loans, net of current portion (Notes 2, 13 and 18)	31,500	-	99,454	1
Total current assets	7,973,052	52	9,217,024	53					
LONG-TERM FUNDS AND INVESTMENTS					OTHER LIABILITIES				
Available-for-sale financial assets - noncurrent (Notes 2 and 6)	1,692,944	11	3,698,427	21	Accrued pension liabilities (Note 2)	119,267	1	113,228	1
Financial assets carried at cost - noncurrent (Notes 2 and 8)	155,336	1	72,000	1	Deferred income tax liabilities - noncurrent (Note 2)	206,783	1	247,876	1
Investments accounted for by the equity method (Notes 2 and 9)	398,243	3	549,537	3	Deferred credits (Note 2)	1,441	-	12,966	-
Total long-term funds and investments	2,246,523	15	4,319,964	25	Others	6,402	-	4,849	-
					Total other liabilities	333,893	2	378,919	2
PROPERTIES (Notes 2, 10 and 18)					Total liabilities	3,163,060	21	3,831,423	22
Cost									
Land	1,291,284	8	814,762	4	SHAREHOLDERS' EQUITY (Notes 2, 14 and 15)				
Buildings	1,892,203	12	1,531,246	9	Capital stock, NT\$10.00 par value				
Machinery and equipment	894,106	6	816,356	5	Authorized - 600,000 thousand shares				
Furniture and fixtures	383,050	3	339,926	2	Issued - 511,366 thousand shares in 2009 and 491,877 thousand shares in 2008	5,113,658	34	4,918,770	28
Other equipment	429,658	3	372,960	2	Capital surplus				
Total cost	4,890,301	32	3,875,250	22	Additional paid-in capital from share issuance in excess of par	4,295,859	28	4,382,809	25
Less: Accumulated depreciation	1,355,510	9	1,123,183	6	From treasury stock	13,612	-	-	-
Construction in progress and prepayment for equipment	3,534,791	23	2,752,067	16	From long-term equity investments	59,771	1	65,635	1
	805,462	6	568,606	3	Total capital surplus	4,369,242	29	4,448,444	26
Properties, net	4,340,253	29	3,320,673	19	Retained earnings				
					Legal reserve	1,673,104	11	1,378,115	8
INTANGIBLE ASSETS					Unappropriated earnings	3,284,198	21	4,155,556	24
Goodwill, net (Note 2)	256,937	1	170,013	1	Total retained earnings	4,957,302	32	5,533,671	32
Superficies (Note 2)	111,634	1	48,227	-	Others				
Deferred pension cost	7,615	-	5,961	-	Cumulative translation adjustments	414,265	3	107,112	1
Total intangible assets	376,186	2	224,201	1	Unrealized gain (loss) on financial instruments	(1,494,354)	(10)	563,648	3
					Total other equity	(1,080,089)	(7)	670,760	4
OTHER ASSETS					Treasury stock - 14,500 thousand shares in 2009 and 24,500 thousand shares in 2008	(1,385,698)	(9)	(2,057,597)	(12)
Assets leased to others (Notes 2 and 11)	29,580	-	26,787	-	Total shareholders' equity of parent company	11,974,415	79	13,514,048	78
Refundable deposits	37,844	-	47,590	-					
Deferred expense, net	219,939	2	260,059	2	MINORITY INTEREST	85,902	-	70,827	-
Total other assets	287,363	2	334,436	2	Total shareholders' equity	12,060,317	79	13,584,875	78
TOTAL	\$ 15,223,377	100	\$ 17,416,298	100	TOTAL	\$ 15,223,377	100	\$ 17,416,298	100

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

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

ADVANTECH CO., LTD. AND SUBSIDIARIES

CONSOLIDATED 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 17)				
Sales	\$ 3,562,450	100	\$ 4,185,731	101
Sales returns and allowances	<u>66,983</u>	<u>2</u>	<u>102,453</u>	<u>3</u>
Net sales	3,495,467	98	4,083,278	98
Other operating revenues	<u>59,833</u>	<u>2</u>	<u>66,231</u>	<u>2</u>
Total operating revenues	3,555,300	100	4,149,509	100
OPERATING COSTS (Notes 3 and 17)	<u>2,101,343</u>	<u>59</u>	<u>2,348,780</u>	<u>57</u>
GROSS PROFIT	1,453,957	41	1,800,729	43
REALIZED INTERCOMPANY GAINS	<u>7,854</u>	<u>-</u>	<u>4,616</u>	<u>-</u>
ADJUSTED GROSS PROFIT	<u>1,461,811</u>	<u>41</u>	<u>1,805,345</u>	<u>43</u>
OPERATING EXPENSES				
Marketing	458,213	13	457,156	11
Administrative	304,218	9	314,761	8
Research and development	<u>333,190</u>	<u>9</u>	<u>312,770</u>	<u>7</u>
Total operating expenses	<u>1,095,621</u>	<u>31</u>	<u>1,084,687</u>	<u>26</u>
OPERATING INCOME	<u>366,190</u>	<u>10</u>	<u>720,658</u>	<u>17</u>
NONOPERATING INCOME AND GAINS				
Interest income (Note 17)	4,828	-	9,807	-
Investment income recognized under the equity method, net (Note 9)	15,477	1	18,300	1
Gain on disposal of investments, net	-	-	5,635	-
Foreign exchange gain, net (Note 2)	49,970	1	19,762	1
Valuation gain on financial instrument, net (Note 5)	9,416	-	-	-
Other income	<u>16,179</u>	<u>1</u>	<u>11,931</u>	<u>-</u>
Total nonoperating income and gains	<u>95,870</u>	<u>3</u>	<u>65,435</u>	<u>2</u>
NONOPERATING EXPENSES AND LOSSES				
Interest expense	5,090	-	9,394	-
Valuation loss on financial instrument, net (Note 5)	-	-	10,981	1
Other expenses	<u>3,993</u>	<u>-</u>	<u>2,951</u>	<u>-</u>
Total nonoperating expenses and losses	<u>9,083</u>	<u>-</u>	<u>23,326</u>	<u>1</u>

(Continued)

ADVANTECH CO., LTD. AND SUBSIDIARIES

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

	<u>2009</u>		<u>2008</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
INCOME BEFORE INCOME TAX	\$ 452,977	13	\$ 762,767	18
INCOME TAX (Note 2)	<u>75,505</u>	<u>2</u>	<u>132,874</u>	<u>3</u>
CONSOLIDATED NET INCOME	<u>\$ 377,472</u>	<u>11</u>	<u>\$ 629,893</u>	<u>15</u>
ATTRIBUTABLE TO:				
Parent's shareholders	\$ 376,027	11	\$ 631,077	15
Minority interest	<u>1,445</u>	<u>-</u>	<u>(1,184)</u>	<u>-</u>
	<u>\$ 377,472</u>	<u>11</u>	<u>\$ 629,893</u>	<u>15</u>
	<u>2009</u>		<u>2008</u>	
	<u>Before Income Tax</u>	<u>After Income Tax</u>	<u>Before Income Tax</u>	<u>After Income Tax</u>
EARNINGS PER SHARE (Note 16)				
Basic	<u>\$ 0.88</u>	<u>\$ 0.76</u>	<u>\$ 1.42</u>	<u>\$ 1.25</u>
Diluted	<u>\$ 0.87</u>	<u>\$ 0.75</u>	<u>\$ 1.41</u>	<u>\$ 1.25</u>

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

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

(Concluded)

ADVANTECH CO., LTD. AND SUBSIDIARIES

CONSOLIDATED 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		
Consolidated net income	\$ 377,472	\$ 629,893
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	84,709	80,080
Provision for doubtful accounts	25,033	21,961
Provision for losses on inventories	27,102	20,031
Loss on disposal of scrap inventories	-	2,939
Loss on disposal of properties, net	877	1,746
Gain on disposal of investments	-	(5,635)
Equity in net gain of investees, net	(15,477)	(18,300)
Accrued pension liabilities	5,342	(807)
Deferred income taxes	34,767	21,941
Net changes in operating assets and liabilities		
Financial instruments at fair value through profit or loss	(18,992)	11,818
Notes receivable	85,114	23,903
Accounts receivable	64,966	(17,395)
Accounts receivable from related parties	(47,560)	15,574
Other receivables	98,565	64,906
Inventories	254,436	(142,441)
Prepayments and other current assets	(85,333)	(30,942)
Accounts payable	(91,717)	(60,941)
Income tax payable	(56,103)	71,834
Accrued expenses	(104,732)	11,950
Advance receipts and other current liabilities	174,996	29,733
Deferred credits	(7,854)	(4,616)
Net cash provided by operating activities	<u>805,611</u>	<u>727,232</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of available-for-sale financial assets	-	(2,242,336)
Proceeds of the disposal of available-for-sale financial assets	407	2,197,111
Acquisition of financial assets carried at cost	-	(4,574)
Acquisition of properties	(45,328)	(124,874)
Proceeds of the disposal of properties	40	18
Decrease in restricted assets	-	8,434
Decrease in refundable deposits	7,326	7,315
Increase in deferred expenses	(5,452)	(50,874)
Increase in goodwill	(5,417)	-
Net cash used in investing activities	<u>(48,424)</u>	<u>(209,780)</u>

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ADVANTECH CO., LTD. AND SUBSIDIARIES

CONSOLIDATED 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		
Decrease in short-term bank loans	\$ (340,731)	\$ (128,910)
Decrease in long-term bank loans	(67,486)	(5,116)
Increase (decrease) in other liabilities	1,302	(4,484)
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)
Decrease in minority interest	<u>(6,252)</u>	<u>(97)</u>
Net cash used in financing activities	<u>(438,952)</u>	<u>(807,806)</u>
EFFECT OF EXCHANGE RATE CHANGES	<u>(4,211)</u>	<u>(114,073)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	314,024	(404,427)
CASH, BEGINNING OF PERIOD	<u>2,598,528</u>	<u>2,397,332</u>
CASH, END OF PERIOD	<u>\$ 2,912,552</u>	<u>\$ 1,992,905</u>
SUPPLEMENTARY CASH FLOW INFORMATION		
Interest paid (excluding capitalized interest)	<u>\$ 7,499</u>	<u>\$ 11,669</u>
Income tax paid	<u>\$ 96,841</u>	<u>\$ 82,981</u>

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

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

(Concluded)

ADVANTECH CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED 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 “Parent Company”) was established in September 1981 and it is a listed company. It manufactures and sells embedded computing boards, industrial automation products, applied computers and industrial computers.

As of March 31, 2009 and 2008, the Parent Company and the consolidated subsidiaries (collectively, the “Group”) had 4,023 and 4,186 employees, respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Group’s financial statements have been prepared in conformity with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers; order VI-09600640020 issued on November 15, 2007 by the Financial Supervisory Commission under the Executive Yuan and accounting principles generally accepted in the Republic of China. Under these guidelines, laws and principles, the Group is required to make certain estimates and assumptions that could affect the allowance for doubtful accounts, provision for loss on inventories, depreciation of properties and properties leased to others, pension cost, product warranty reserve, bonuses to employees and remuneration to directors and supervisors and income tax. Actual results could differ from these estimates.

For the convenience of readers, the accompanying consolidated 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 Group’s significant accounting policies are summarized as follows.

Basis for Consolidation

Consolidated financial statements should include direct and indirect subsidiaries in which the Parent Company has controlling interests or has voting rights of over 50%. The consolidated entities included the Parent Company and its all subsidiaries. All significant intercompany accounts and transactions have been eliminated from the consolidated financial statements.

For the three months ended March 31, 2008, the Parent Company does not have equity interest of over 50% in BCM Embedded Computer Inc. (BCM), but it represents voting rights of over 50% in BCM’s board of directors. Thus, with the Parent Company’s substantive control over BCM, BCM was included in the consolidated group.

For the three months ended March 31, 2009 and 2008, Advansus Corp. and Hangzhou Advantofine Automation Tech. Co., Ltd. were consolidated using the proportionate consolidated method. All significant accounts and transactions between the Parent and this company have been eliminated from the consolidated financial statements.

The organization charts of intercompany relationships and percentages of ownership as of March 31, 2009 and 2008 is shown in Table 9 (attached). The names, locations and other information of investees are shown in Table 7 (attached).

The financial statements used as basis of the consolidated subsidiaries' information and related investment amounts were unreviewed.

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 Parent Company recognizes a financial asset or a financial liability on its balance sheet when the Parent Company becomes a party to the contractual provisions of the financial instrument. A financial asset is derecognized when the Parent 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 Group 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 Group 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, 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.

Financial Assets Carried at Cost

Investments with no quoted market prices in an active market and with fair values that cannot be reliably measured, such as non-publicly traded stocks, are carried at their original costs. The costs of non-publicly traded stocks are determined using the weighted-average method. If there is objective evidence of financial asset impairment, a loss is recognized. A reversal of this impairment loss is not allowed.

Long-term Equity Investments

Investments in shares of stock of companies in which the Group 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 Group'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 exceeds 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 Group'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 Group acquires these shares at a percentage different from its current equity in the investee, the resulting increase in the Group's equity in its investee's net assets is credited to capital surplus. Any decrease in the Group'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 Group has controlling influence, if the equity in losses recognized exceeds the original investment acquisition costs, the Group recognizes its subsidiary'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 Group 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 Parent Company to its subsidiaries are deferred but only profit in proportion to the Group'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 Group is deferred in proportion to the Group'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 Group'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.

Properties and Properties Leased to Others

Properties and properties leased to others 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, 10 to 60 years; machinery and equipment, 2 to 8 years; furniture and fixtures 2 to 8 years; and miscellaneous equipment, 2 to 10 years. Properties and properties leased to others still being used by the Group beyond their initially estimated service lives are depreciated over their newly estimated service lives.

Upon sale or other disposal of properties and properties leased to others, 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.

Intangible Assets

Goodwill represents the excess of the consideration paid for acquisition over the fair value of identifiable net assets acquired. Goodwill was previously amortized using the straight-line method over the estimated life of five years. Effective January 1, 2006, based on the newly revised Statement of Financial Accounting Standards No. 25 - "Business Combinations - Accounting Treatment under the Purchase Method" (SFAS No. 25), goodwill is no longer amortized and is instead assessed for impairment at least annually. Superficies, which represent royalty payment for using land, are amortized over 50 years using the straight-line method.

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 properties and properties leased to others, intangible assets, 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 Group 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 Group 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.

Except for the Parent Company, the subsidiaries all contribute to pension funds and recognize pension costs based on local government regulations.

Treasury Stock

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

Income Tax

The Group 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 period's tax expense.

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

Foreign-currency Transactions

The financial statements of foreign operations are translated into New Taiwan dollars at the following exchange rates:

- a. Assets and liabilities - at exchange rates prevailing on the balance sheet date;
- b. Shareholders' equity - at historical exchange rates;
- c. Dividends - at the exchange rate prevailing on the dividend declaration date; and
- d. Income and expenses - at average exchange rates for the year.

Exchange differences arising from the translation of the financial statements of foreign operations are recognized as a separate component of shareholders' equity. Such exchange differences are recognized in profit or loss in the year in which the foreign operations are disposed of.

Non-derivative foreign-currency transactions are recorded in New Taiwan dollars at the 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 the balance sheet date, foreign-currency monetary assets and liabilities are revalued using prevailing exchange rates and the exchange differences are recognized in profit or loss.

If the functional currency of an equity-method investee is a foreign currency, translation adjustments will result from the translation of the investee's financial statements into the reporting currency of the Company. Such adjustments are accumulated and reported as a separate component of shareholders' equity.

At the balance sheet date, foreign-currency nonmonetary assets (such as equity instruments) and liabilities that are measured at fair value are revalued using prevailing exchange rates, with the exchange differences treated as follows:

- a. Recognized in shareholders' equity if the changes in fair value are recognized in shareholders' equity;
- b. Recognized in profit and loss if the changes in fair value is recognized in profit or loss.

Foreign-currency nonmonetary assets and liabilities that are carried at cost continue to be stated at exchange rates at trade dates.

Reclassifications

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

3. EFFECTS OF CHANGES IN ACCOUNTING PRINCIPLES

a. Accounting for Inventories

Effective January 1, 2009, the Group 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 and \$10,983 thousand in the Parent Company's net income and consolidated net income, respectively, and of NT\$0.01 in earnings per share (after income tax) for the three months ended March 31, 2009. The Group also reclassified the nonoperating loss of \$22,641 thousand in the three months ended March 31, 2008 to the cost of goods sold.

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

	<u>March 31</u>	
	<u>2009</u>	<u>2008</u>
Cash on hand	\$ 141,150	\$ 170,958
Checking and demand deposits	1,096,670	1,062,358
Time deposits: Interest - 0.10%-5.00% in 2009 and 1.40%-5.50% in 2008	<u>1,674,732</u>	<u>759,589</u>
	<u>\$ 2,912,552</u>	<u>\$ 1,992,905</u>

5. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

The Parent Company's trading-purpose assets were as follows:

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

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

	Currency	Maturity	Amount (Thousands)
<u>March 31,2009</u>			
Sell	EUR/USD	From April to June 2009	EUR4,500/USD5,878
Sell	USD/NTD	April 2009	USD500/NTD17,591
<u>March 31,2008</u>			
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 Parent Company entered into forward contract transactions in the three months ended March 31, 2009 and 2008 to avoid risks on exchange rate fluctuations. The hedging strategy of the Parent 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	
	Current	Noncurrent	Current	Noncurrent
Mutual funds	\$ -	\$ -	\$ 1,393,750	\$ -
Quoted domestic stocks				
ASUSTEK Computer Inc.	-	1,629,146	-	3,698,427
Chunghwa Telecom Co., Ltd.	12,763	-	16,300	-
Quoted overseas stocks				
SG Advantech Co., Ltd.	-	63,798	-	-
	<u>\$ 12,763</u>	<u>\$ 1,692,944</u>	<u>\$ 1,410,050</u>	<u>\$ 3,698,427</u>

7. INVENTORIES, NET

	March 31	
	2009	2008
Finished goods	\$ 750,444	\$ 867,278
Work in process	471,722	601,775
Materials and supplies	729,935	924,379
Inventories in transit	<u>126,021</u>	<u>151,584</u>
	<u>\$ 2,078,122</u>	<u>\$ 2,545,016</u>

As of March 31, 2009 and 2008, the allowances for losses were \$272,634 thousand and \$324,784 thousand, respectively.

As of March 31, 2009 and 2008, the costs of goods sold related to inventories were \$2,101,343 thousand and \$2,348,780 thousand, respectively, which included allowances allowance for losses of \$27,102 thousand and \$20,031 thousand for the three months ended March 31, 2009 and 2008, respectively.

8. FINANCIAL ASSETS CARRIED AT COST

	<u>March 31</u>	
	<u>2009</u>	<u>2008</u>
Non-publicly traded		
Domestic		
Avalue Technology Inc.	\$ 88,637	\$ -
Broadwin Technology, Inc.	-	4,574
Foreign		
Superior Technology Co., Ltd. (US\$1,068 thousand on March 31, 2009 and 2008)	33,442	33,442
Coban Research and Technologies, Inc. (US\$1,020 thousand on March 31, 2009 and 2008)	33,257	33,257
Visual Systems GmbH (US\$23 thousand on March 31, 2008)	<u>-</u>	<u>727</u>
	<u>\$ 155,336</u>	<u>\$ 72,000</u>

Investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are carried at their original cost.

9. LONG-TERM EQUITY INVESTMENTS

	<u>March 31</u>			
	<u>2009</u>		<u>2008</u>	
	<u>Carrying Value</u>	<u>% of Ownership</u>	<u>Carrying Value</u>	<u>% of Ownership</u>
<u>Listed</u>				
Axiomtek Co., Ltd.	\$ 365,900	27.96	\$ 357,701	28.90
<u>Unlisted</u>				
Advantech Hungary Ltd.	18,132	30.00	13,534	30.00
Timson Tech Co.	8,096	30.00	7,258	30.00
Advantech Corporation (Thailand) Co., Ltd.	6,115	30.00	5,526	30.00
Advantech Technologies Co., Ltd.	-	-	154,008	23.89
Supercom Technology Corporation	<u>-</u>	<u>-</u>	<u>11,510</u>	<u>33.33</u>
	<u>\$ 398,243</u>		<u>\$ 549,537</u>	

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.

The investment premiums, represting goodwill, have no change for the three months ended March 31, 2009 and 2008, respectively. As of March 31, 2009 and 2008, the goodwill were \$10,517 thousand and \$10,571 thousand, respectively.

The market values of the listed stocks invested in by the Parent Company, which were calculated on the basis of their closing prices as of March 31, 2009 and 2008 were \$454,826 thousand and \$967,608 thousand, respectively.

10. PROPERTIES

Accumulated depreciation was as follows:

	<u>March 31</u>	
	2009	2008
Buildings	\$ 354,900	\$ 289,697
Machinery and equipment	498,550	399,480
Furniture and fixtures	247,278	211,411
Other equipment	<u>254,782</u>	<u>222,595</u>
	<u>\$ 1,355,510</u>	<u>\$ 1,123,183</u>

11. PROPERTIES LEASED TO OTHERS

	<u>March 31</u>	
	2009	2008
Cost		
Buildings	\$ 41,679	\$ 36,424
Accumulated depreciation	<u>(12,099)</u>	<u>(9,637)</u>
	<u>\$ 29,580</u>	<u>\$ 26,787</u>

12. SHORT-TERM BANK LOANS

	<u>Three Months Ended</u>	
	<u>March 31</u>	
	2009	2008
Materials purchase loans - interest 1.51%-3.02% in 2009 and 4.44%-6.00% in 2008	\$ 38,289	\$ 38,925
Secured loans - interest 2.25%-2.50% in 2009 and 4.44% in 2008	-	5,000
Credit loans - interest 2.15%-2.80% in 2009 and 3.33%-6.56% in 2008	<u>195,719</u>	<u>462,701</u>
	<u>\$ 234,008</u>	<u>\$ 506,626</u>

Advantech Technology (China) Company Ltd., an indirect subsidiary of the Parent Company, obtained a credit loan from a bank to meet its financing need. As of March 31, 2009 and 2008, the carrying values were \$135,719 thousand and \$347,071 thousand, respectively.

Netstar Technology Co., Ltd., an indirect subsidiary of the Parent Company, obtained credit, materials purchase and mortgage loans from bank to meet its financing need. As of March 31, 2009 and 2008, the carrying values were \$98,289 thousand and \$158,925 thousand, respectively.

13. LONG-TERM BANK LOANS

	Current	Long-term	Total
<u>March 31, 2009</u>			
Secured loans	\$ <u>3,375</u>	\$ <u>31,500</u>	\$ <u>34,875</u>
<u>March 31, 2008</u>			
Credit loans	\$ 8,871	\$ 64,579	\$ 73,450
Secured loans	<u>4,500</u>	<u>34,875</u>	<u>39,375</u>
	<u>\$ 13,371</u>	<u>\$ 99,454</u>	<u>\$ 112,825</u>

Netstar Technology Co., Ltd., an indirect subsidiary of the Parent Company, obtained a mortgage loan from a bank for its operation need. This loan is repayable from October 2006 to October 2016 in 40 quarterly installments from January 2007. As of March 31, 2009 and 2008, the carrying value were \$34,875 thousand and \$39,375 thousand, respectively; the interest rates were 2.25%-2.50% and 3.25%, respectively.

14. 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 Parent 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 Parent 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 Parent 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 Parent 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 Parent 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 Parent 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 Parent Company's growth. The policy also requires that stock dividends be less than 75% of total dividends to retain internally generated cash within the Parent 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:

	<u>Appropriation of Earnings</u>		<u>Dividends Per Share (Dollars)</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
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	0.5
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 bonus to employees amounting to \$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 were 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 Parent Company had completed its revised registration from the MOEA.

Information on the appropriation of earnings, 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 Parent 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 Parent 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.

15. 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
<u>Three months ended March 31, 2009</u>				
For transfer to employees	<u>14,500</u>	<u>-</u>	<u>-</u>	<u>14,500</u>
<u>Three months ended March 31, 2008</u>				
For transfer to employees	<u>14,500</u>	<u>-</u>	<u>-</u>	<u>14,500</u>
To maintain the Company's credibility and shareholders' interest	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>

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

16. EARNINGS PER SHARE

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

	<u>Amount (Numerator)</u>		<u>Shares (Denominator) (Thousands)</u>	<u>Earnings Per Share</u>	
	Pretax	After-tax		Pretax	After-tax
<u>Three months ended March 31, 2009</u>					
Basic EPS	\$ 435,740	\$ 376,027	496,859	<u>\$ 0.88</u>	<u>\$ 0.76</u>
Impact of dilutive potential common stock					
Employees' stock options	-	-	68		
Bonuses to employees	<u>-</u>	<u>-</u>	<u>6,062</u>		
Diluted EPS	<u>\$ 435,740</u>	<u>\$ 376,027</u>	<u>502,989</u>	<u>\$ 0.87</u>	<u>\$ 0.75</u>

(Continued)

	<u>Amount (Numerator)</u>		<u>Shares</u>	<u>Earnings Per Share</u>	
	<u>Pretax</u>	<u>After-tax</u>	<u>(Denominator)</u> <u>(Thousands)</u>	<u>Pretax</u>	<u>After-tax</u>
<u>Three months ended March 31, 2008</u>					
Basic EPS	\$ 713,723	\$ 631,077	503,873	\$ <u>1.42</u>	\$ <u>1.25</u>
Impact of dilutive potential common stock					
Employees' stock options	-	-	272		
Bonuses to employees	-	-	2,139		
Diluted EPS	\$ <u>713,723</u>	\$ <u>631,077</u>	<u>506,284</u>	\$ <u>1.41</u>	\$ <u>1.25</u>

(Concluded)

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.

17. RELATED-PARTY TRANSACTIONS

a. Related parties

<u>Related Party</u>	<u>Relationship with the Group</u>
Axiomtek Co., Ltd. ("Axiomtek")	Equity-method investee of the Parent Company
Advantech Hungary Ltd. (AHG)	Equity-method investee of the Parent Company
SG Advantech Co., Ltd. (former name: Advantech Technologies Co., Ltd.) (AKR)	The Parent Company was AKR's director (AKR was an equity-method investee until December 2008)
Advantech Corporation (Thailand) Co., Ltd. (ATH)	Equity-method investee of ASG
Timson Tech Co. (TTC)	Equity-method investee of Advantech Fund-A
Avalue Technology Inc. ("Avalue")	The Parent Company's chairman is the Avalue's director
Advantech Brazil S/A (ABR)	Related party in substance
Broadwin Technology, Inc. ("Broadwin")	Equity-method investee of Advantech Fund-A (Advantech Fund-A had acquired over 50% of Broadwin's shares; thus, Broadwin is one of subsidiaries of the consolidated financial statements for the three months ended March 31, 2009)
Supercom Technology Corporation ("Supercom")	Equity-method investee of Netstar (Netstar sold all of its holding in Supercom in June 2008)

- b. The significant transactions with the above related parties, in addition to those disclosed in Note 19, are summarized as follows:

	<u>2009</u>		<u>2008</u>	
	Amount	% to Total	Amount	% to Total
<u>For the three months ended March 31</u>				
1) Sales				
AKR	\$ 91,915	3	\$ 72,013	2
Avalue	76,442	2	16,164	-
ABR	21,625	1	16,225	1
ATH	5,282	-	6,535	-
Axiomtek	4,335	-	4,536	-
Supercom	-	-	7,350	-
Broadwin	-	-	345	-
AHG	-	-	21	-
	<u>\$ 199,599</u>	<u>6</u>	<u>\$ 123,189</u>	<u>3</u>
2) Interest revenue				
AKR	<u>\$ 54</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
3) Purchase of materials and supplies				
Axiomtek	\$ 19	-	\$ 509	-
Supercom	-	-	2,441	-
Broadwin	-	-	552	-
	<u>\$ 19</u>	<u>-</u>	<u>\$ 3,502</u>	<u>-</u>
<u>March 31</u>				
4) Receivables				
Accounts				
AKR	\$ 136,636	63	\$ 43,658	60
Avalue	41,118	19	7,490	10
ABR	17,128	8	13,263	18
Axiomtek	5,922	3	3,299	5
ATH	1,684	1	1,382	2
Supercom	-	-	3,860	5
Broadwin	-	-	423	-
	<u>200,488</u>	<u>94</u>	<u>73,375</u>	<u>100</u>
Financing need				
AKR	<u>13,703</u>	<u>6</u>	<u>-</u>	<u>-</u>
	<u>\$ 214,191</u>	<u>100</u>	<u>\$ 73,375</u>	<u>100</u>

	<u>2009</u>		<u>2008</u>	
	<u>Amount</u>	<u>% to Total</u>	<u>Amount</u>	<u>% to Total</u>
5) Payables to related parties (part of accounts payable)				
Accounts				
ATH	\$ 298	87	\$ -	-
ABR	23	7	-	-
Axiomtek	21	6	245	20
Broadwin	-	-	624	49
Supercom	-	-	395	31
	<u>\$ 342</u>	<u>100</u>	<u>\$ 1,264</u>	<u>100</u>

6) Financing to related parties:

Financing to related parties was as follows:

	<u>Three Months Ended March 31, 2009</u>			
Related Party	Maximum Balance	Ending Balance	Interest Rate	Interest Revenue
AKR	<u>\$ 13,703</u>	<u>\$ 13,703</u>	5%	<u>\$ 54</u>

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.

18. ASSETS PLEDGED OR MORTGAGED

- a. As of March 31, 2009 and 2008, the subsidiary - Netstar Technology Co., Ltd. offered assets for certificates of short-term and long-term bank loans as follows:

	<u>March 31</u>	
	<u>2009</u>	<u>2008</u>
Restricted current assets (time deposits)	\$ -	\$ 34,938
Properties - land	35,506	40,336
Properties - buildings - cost	<u>22,417</u>	<u>27,123</u>
	<u>\$ 57,923</u>	<u>\$ 102,397</u>

- b. The subsidiary - Advansus Corp.'s certificates of deposits that had been pledged or mortgaged as collaterals for tariff amounted to \$100,000 thousand in the three months ended March 31, 2009 and 2008, the Parent Company consolidated in the proportionate consolidated method.

19. SIGNIFICANT COMMITMENTS AND CONTINGENCIES

- a. As of March 31, 2009, the Parent Company had the following guarantees for affiliates' loans:

	Amount
AKMC	<u>US\$ 18,600 thousand</u>
Netstar	<u>\$ 220,000 thousand</u>
Advansus Corp.	<u>\$ 100,000 thousand</u>

- b. As of March 31, 2009 and 2008, the unused amount of the L/C for purchasing, which was opened by Netstar Technology Co., Ltd., an indirect subsidiary of the Parent Company, was \$3,239 thousand and \$360 thousand, respectively.
- c. As of March 31, 2009 and 2008, the guarantee notes issued by Netstar Technology Co., Ltd. for the bank loan amounted to \$119,875 thousand and \$265,875 thousand, respectively.

20. FINANCIAL INSTRUMENTS

- a. Fair values of financial instruments were as follows:

	March 31			
	2009		2008	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<u>Nonderivative financial instruments</u>				
<u>Assets</u>				
Available-for-sale financial assets - current	\$ 12,763	\$ 12,763	\$ 1,410,050	\$ 1,410,050
Available-for-sale financial assets - noncurrent	1,692,944	1,692,944	3,698,427	3,698,427
<u>Liabilities</u>				
Long-term bank loans (including current portion)	34,875	34,875	112,825	112,825
<u>Derivative financial instruments location</u>				
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
- 1) For financial instruments such as cash, notes and accounts receivables, receivables from related parties, other receivables, restricted assets-current, short-term bank loans, accounts payable 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) The fair value of the long-term bank loans (including current portion) is determined using the present value based of the projected cash flows discounted at interest rates for similar long-term debts.
 - 4) 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 financial assets and liabilities were based on the quoted market prices or determined using certain valuation techniques, as follows:

	<u>Based on the Quoted</u>		<u>Determined Using</u>	
	<u>Market Price</u>		<u>Valuation Techniques</u>	
	<u>March 31</u>		<u>March 31</u>	
<u>Asset</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Financial assets at fair value through profit or loss - current	\$ -	\$ -	\$ 1,072	\$ 413
Available-for-sale financial assets - current	12,763	1,410,050	-	-
Available-for-sale financial assets - noncurrent	1,692,944	3,698,427	-	-
 <u>Liabilities</u>				
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 risk from interest rate fluctuation amounted to \$1,724,732 thousand and \$844,527 thousand, respectively. As of March 31, 2009 and 2008, financial liabilities exposed to fair value risk from interest rate fluctuation amounted to \$268,883 thousand and \$619,451 thousand, respectively. As of March 31, 2009 and 2008, financial assets exposed to cash flow interest rate risk amounted to \$1,037,061 thousand and \$1,024,304 thousand, respectively.
- e. The Parent Company recognized unrealized losses of \$38,671 thousand and of \$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 Parent 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 Group 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 Group 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 Group 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 Group 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.

21. ADDITIONAL DISCLOSURES

- a. Except for those mentioned in Note 17 and Tables 1 to 7, no additional disclosures are required by the Securities and Futures Bureau for the Parent Company and its investees and on investment in Mainland China.
- 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: Please see Table 8 attached.
 - 2) Significant transaction with overseas subsidiary with direct or indirect investment in China: Notes 17, 19 and Tables 1, 2, 5 and 6.
- c. Intercompany relationships and significant intercompany transactions: Please see Table 10 attached.

ADVANTECH CO., LTD. AND SUBSIDIARIES

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	Financing need	\$ -	-	\$ -	\$ 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 that can be 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 SUBSIDIARIES

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 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.

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

TABLE 3

ADVANTECH CO., LTD. AND SUBSIDIARIES

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")	<u>Stock</u>							
	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	<u>Stock</u>							
	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.	"	"	4,500,000	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	<u>Shares</u>							
	Kunshan Timson Tech Co., Ltd.	Investee	Long-term equity investments	-	25,940	100.00	25,940	Note A
ATC	<u>Stock</u>							
	ATC (HK)	"	"	35,650,000	1,280,448	100.00	1,280,448	Note A
ATC (HK)	<u>Shares</u>							
	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., Ltd.	<u>Stock</u> 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, Inc.	<u>Stock</u> 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 SUBSIDIARIES

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.

Note B: All intercompany investments and investment gains (losses) have been eliminated.

ADVANTECH CO., LTD. AND SUBSIDIARIES

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	

Note: All significant intercompany accounts and transactions have been eliminated upon consolidation.

ADVANTECH CO., LTD. AND SUBSIDIARIES

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	-	-	-	-

Note: All significant intercompany accounts and transactions have been eliminated upon consolidation.

TABLE 7

ADVANTECH CO., LTD. AND SUBSIDIARIES

NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTEEES 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		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			
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	45,000	30,000	4,500,000	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. Lantech Communications Inc. LANSONIC (BVI)	Taipei	Electronic parts and components manufacturing	\$ 11,500	\$ 11,500	1,520,000	76.00	\$ 14,137	\$ 467	\$ 355	Indirect subsidiary
		Taipei	Retail sale of electronic materials	11,595	11,595	1,159,500	77.30	-	-	-	Indirect subsidiary
		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.

Note C: All intercompany investments and investment gains (losses) have been eliminated.

(Concluded)

TABLE 8

ADVANTECH CO., LTD. AND SUBSIDIARIES

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 un-reviewed.

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.

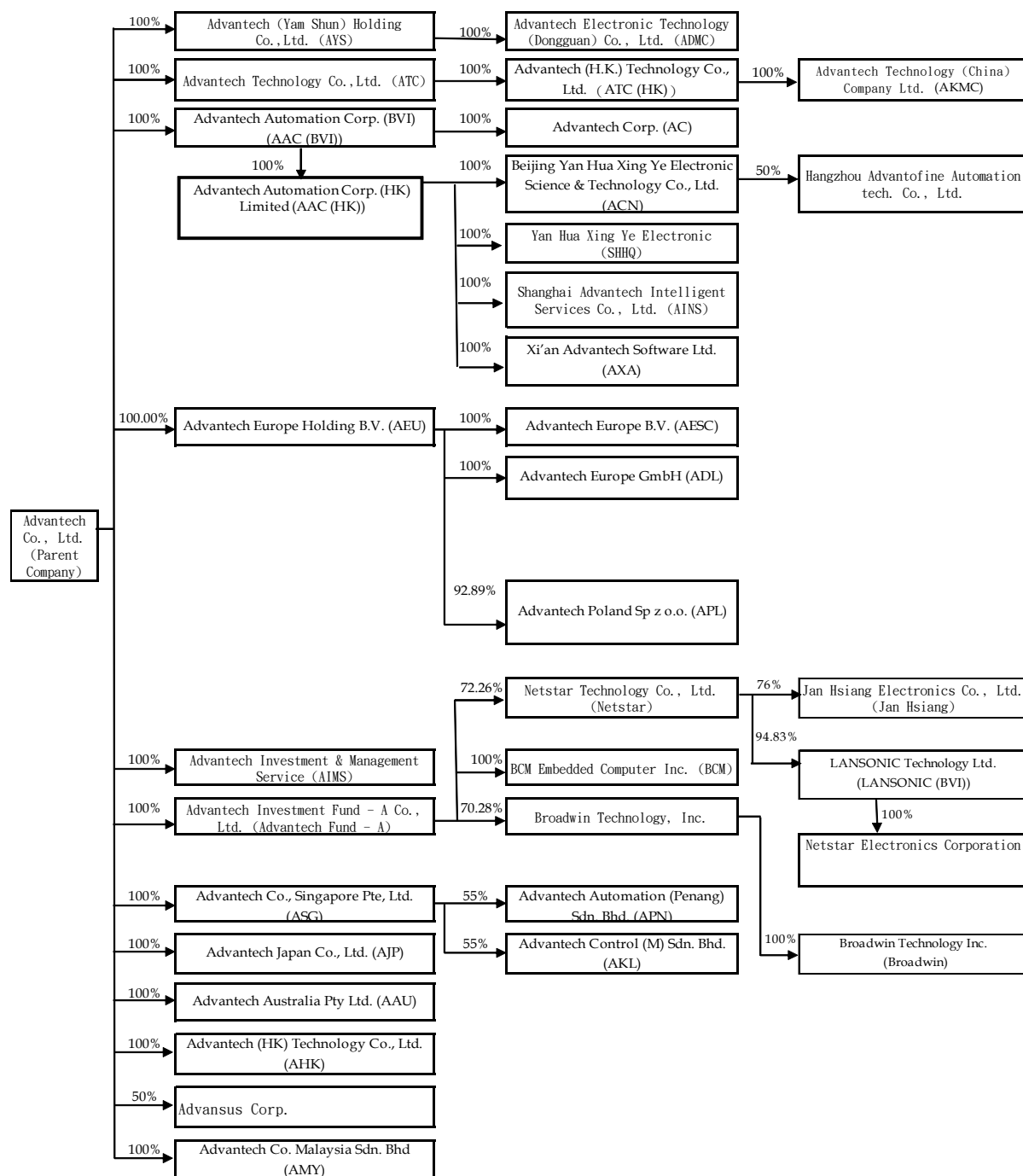
(Concluded)

TABLE 9

ADVANTECH CO., LTD. AND SUBSIDIARIES

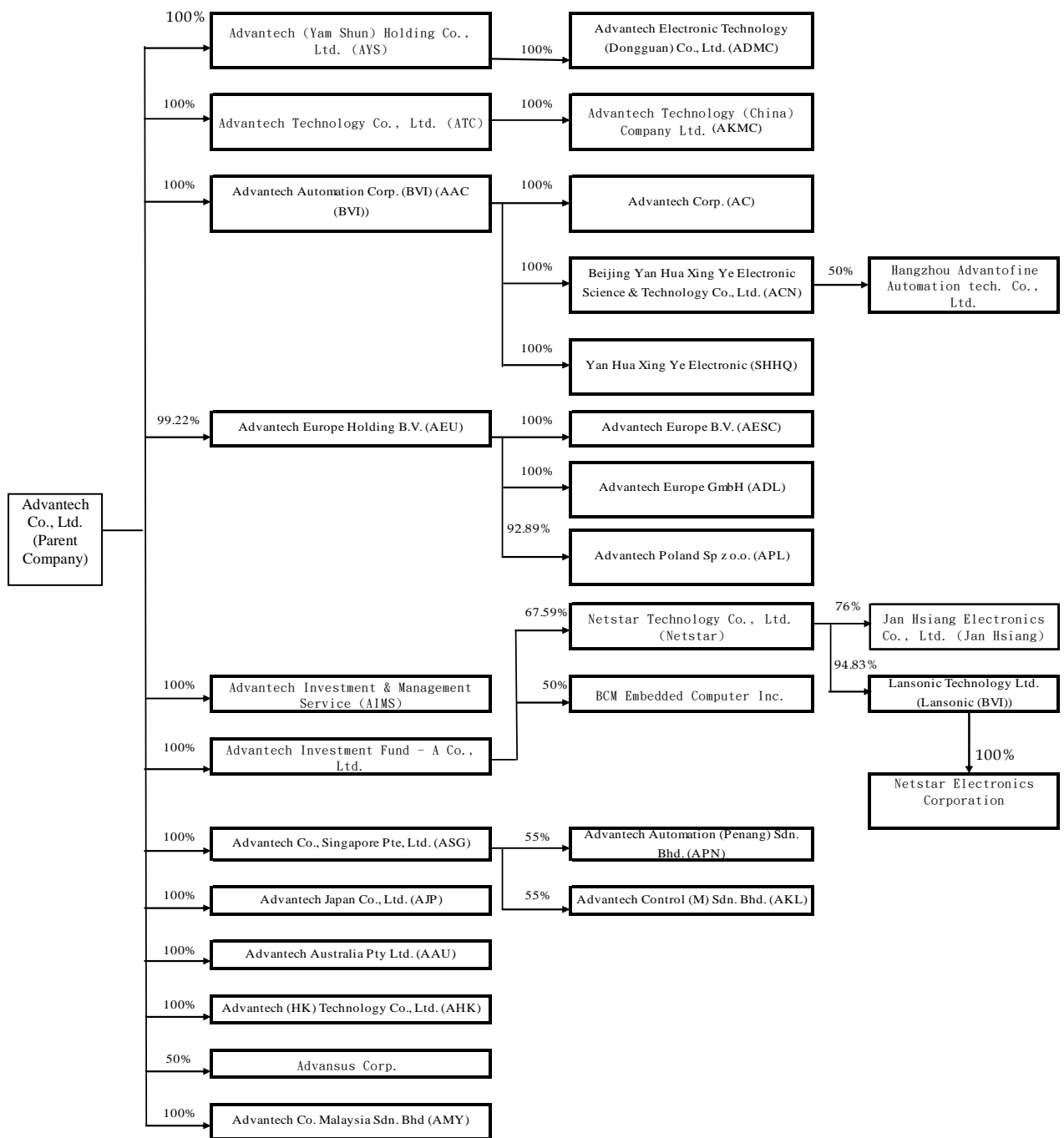
**ORGANIZATION CHART
MARCH 31, 2009 AND 2008**

Intercompany relationships and percentages of ownership as of March 31, 2009 are shown below:



Note: Advansus Corp. and Hangzhou Advantofine Automation tech. Co., Ltd. were consolidated using the proportionate consolidated method.

Intercompany relationships and percentages of ownership as of March 31, 2008 are shown below:



Note: Advansus Corp. and Hangzhou Advantofine Automation tech. Co., Ltd. were consolidated using the proportionate consolidated method.

ADVANTECH CO., LTD. AND SUBSIDIARIES

SIGNIFICANT TRANSACTIONS BETWEEN ADVANTECH CO., LTD. AND SUBSIDIARIES
THREE MONTHS ENDED MARCH 31, 2009 AND 2008
(In Thousands of New Taiwan Dollars)

Number	Company Name	Counter Party	Flow of Transaction (Note A)	Transaction Details			% to Consolidated Assets/Revenue (Note C)
				Financial Statement Account	Amount	Payment Terms	
0	March 31, 2009 Advantech Co., Ltd.	AESC	1	Sales	\$ 381,442	Normal.	11
		AESC	1	Receivables from related parties	389,272	30 days.	3
		AESC	1	Purchase	165	Normal.	-
		AESC	1	Payables to related parties	374	30 days.	-
		ACN	1	Sales	453,594	Normal.	13
		ACN	1	Receivables from related parties	411,628	45 days.	3
		ACN	1	Purchase	578	Normal.	-
		ACN	1	Payables to related parties	952	30 days.	-
		ATC	1	Purchase	793,592	Normal.	22
		ATC	1	Payables to related parties	596,714	60 days.	4
		ATC	1	Royalty revenue	39,983	Normal.	1
		AKMC	1	Sales	31,839	Normal.	1
		AKMC	1	Receivables from related parties	10,519	45 days.	-
		AKMC	1	Payables to related parties	156	60 days.	-
		AAU	1	Sales	34,297	Normal.	1
		AAU	1	Receivables from related parties	55,215	60-90 days.	-
		ASG	1	Sales	20,354	Normal.	1
		ASG	1	Receivables from related parties	11,849	60-90 days.	-
		ASG	1	Payables to related parties	310	60-90 days.	-
		AJP	1	Sales	59,322	Normal.	2
		AJP	1	Receivables from related parties	29,153	60-90 days.	-
		AJP	1	Payables to related parties	47	60-90 days.	-
		AJP	1	Purchase	49	Normal.	-
		Advansus Corp.	1	Sales	1,533	Normal.	-
		Advansus Corp.	1	Receivables from related parties	122,643	60-90 days.	1
		Advansus Corp.	1	Purchase	239,971	Normal.	7
		Advansus Corp.	1	Payables to related parties	35,480	60-90 days.	-
		Advansus Corp.	1	Rental revenue	1,755	Normal.	-
		Advansus Corp.	1	Other revenue	1,612	Normal.	-
		Advansus Corp.	1	Rental expense	2,664	Normal.	-
		AIMS	1	Rental revenue	75	Normal.	-
		AIMS	1	Other revenue	6	Normal.	-
		BCM Embedded Computer Inc.	1	Rental revenue	195	Normal.	-
		BCM Embedded Computer Inc.	1	Receivables from related parties	173	30 days.	-
BCM Embedded Computer Inc.	1	Payables to related parties	116	30 days.	-		
BCM Embedded Computer Inc.	1	Purchase	114	Normal.	-		
BCM Embedded Computer Inc.	1	Sales	100	Normal.	-		

(Continued)

Number	Company Name	Counter Party	Flow of Transaction (Note A)	Transaction Details			% to Consolidated Assets/Revenue (Note C)
				Financial Statement Account	Amount	Payment Terms	
		Advantech Fund-A	1	Rental revenue	\$ 9	Normal.	-
		Broadwin Technology, Inc.	1	Sales	1,491	Normal.	-
		Broadwin Technology, Inc.	1	Receivables from related parties	1,539	60 days.	-
		ADL	1	Purchase	56	Normal.	-
		ADL	1	Receivables from related parties	3,565	30 days.	-
		ADL	1	Payables to related parties	2,213	30 days.	-
		AMY	1	Sales	3,186	Normal.	-
		AMY	1	Receivables from related parties	4,155	45 days.	-
		AMY	1	Payables to related parties	2,718	60 days.	-
		AMY	1	Purchase	61	Normal.	-
		APL	1	Sales	2,467	Normal.	-
		APL	1	Receivables from related parties	9,376	45 days.	-
		APL	1	Payables to related parties	1,087	30 days after invoice date.	-
		APL	1	Purchase	3	Normal.	-
		Netstar Technology Co., Ltd.	1	Purchase	6,492	Normal.	-
		Netstar Technology Co., Ltd.	1	Payables to related parties	4,845	60 days.	-
		Jan Hsiang	1	Purchase	3,403	Normal.	-
		Jan Hsiang	1	Payables to related parties	1,774	60 days.	-
		Jan Hsiang	1	Receivables from related parties	8	30 days.	-
		Jan Hsiang	1	Sales	12	Normal.	-
		AYS	1	Purchase	98,132	Normal.	3
		AYS	1	Payables to related parties	58,041	90 days.	-
		AINS	1	Sales	163,030	Normal.	5
		AINS	1	Receivables from related parties	154,390	45 days.	1
		ADMC	1	Receivables from related parties	314	45 days.	-
		ADMC	1	Payables to related parties	80	60 days.	-
		ADMC	1	Sales	3	Normal.	-
		ANA	1	Sales	567,807	Normal.	16
		ANA	1	Purchase	10,799	Normal.	-
		ANA	1	Receivables from related parties	155,872	45 days.	1
		ANA	1	Payables to related parties	6,672	45 days.	-
		AHK	1	Purchase	317	Normal.	-
1	ANA	Advantech Co., Ltd.	2	Sales	10,799	Normal.	-
		Advantech Co., Ltd.	2	Receivables from related parties	6,672	45 days.	-
		Advantech Co., Ltd.	2	Purchase	567,807	Normal.	16
		Advantech Co., Ltd.	2	Payables to related parties	155,872	45 days.	1
		ASG	3	Sales	240	Normal.	-
		AESC	3	Sales	2,631	Normal.	-
		AESC	3	Receivables from related parties	102,947	60-90 days.	1
		AESC	3	Purchase	2,013	Normal.	-
		AESC	3	Interest revenue	340	Normal.	-
		ATC	3	Receivables from related parties	2,606	60-90 days.	-
		ATC	3	Sales	93	Normal.	-
		AAU	3	Sales	7	Normal.	-
		AAU	3	Receivables from related parties	1	60-90 days.	-
		ACN	3	Sales	205	Normal.	-

(Continued)

Number	Company Name	Counter Party	Flow of Transaction (Note A)	Transaction Details			% to Consolidated Assets/Revenue (Note C)
				Financial Statement Account	Amount	Payment Terms	
		AKMC	3	Receivables from related parties	\$ 101,730	30 days after invoice date.	1
		Advansus Corp.	3	Payables to related parties	12	Prompt payment.	-
		Advansus Corp.	3	Purchase	239	Normal.	-
2	AESC	Advantech Co., Ltd.	2	Sales	165	Normal.	-
		Advantech Co., Ltd.	2	Receivables from related parties	374	30 days.	-
		Advantech Co., Ltd.	2	Purchase	381,442	Normal.	11
		Advantech Co., Ltd.	2	Payables to related parties	389,272	30 days.	3
		ADL	3	Sales	2,091	Normal.	-
		ADL	3	Interest revenue	789	Normal.	-
		ADL	3	Purchase	11	Normal.	-
		ADL	3	Commission expense	104,875	Normal.	3
		ADL	3	Receivables from related parties	29,808	30 days after invoice date.	-
		ADL	3	Prepayments	51,785	30 days after invoice date.	-
		ADL	3	Payables to related parties	15,655	30 days after invoice date.	-
		APL	3	Sales discount	121	Normal.	-
		APL	3	Purchase	10,360	Normal.	-
		APL	3	Payables to related parties	7,060	30 days after invoice date.	-
		AEU	3	Payables to related parties	4,503	30 days after invoice date.	-
		ANA	3	Sales	2,013	Normal.	-
		ANA	3	Purchase	2,631	Normal.	-
		ANA	3	Interest expense	340	Normal.	-
		ANA	3	Payables to related parties	102,947	60-90 days.	1
		AAU	3	Sales	21	Normal.	-
		ACN	3	Sales	940	Normal.	-
3	ACN	Advantech Co., Ltd.	2	Sales	578	Normal.	-
		Advantech Co., Ltd.	2	Receivables from related parties	952	30 days.	-
		Advantech Co., Ltd.	2	Purchase	453,594	Normal.	13
		Advantech Co., Ltd.	2	Payables to related parties	411,628	45 days.	3
		ANA	3	Purchase	205	Normal.	-
		AHK	3	Sales	12	Normal.	-
		AHK	3	Receivables from related parties	6,148	60-90 days.	-
		AKMC	3	Purchase	3,905	Normal.	-
		AKMC	3	Payables to related parties	3,645	60-90 days.	-
		AKMC	3	Sales	4,915	Normal.	-
		AKMC	3	Rental expense	985	Normal.	-
		AKMC	3	Receivables from related parties	104,876	60-90 days.	1
		AKMC	3	Interest revenue	568	Normal.	-
		Hangzhou Advantofine Automation Tech. Co., Ltd.	3	Receivables from related parties	778	60-90 days.	-
		Hangzhou Advantofine Automation Tech. Co., Ltd.	3	Sales discount	1,984	Normal.	-
		SHHQ	3	Receivables from related parties	7,301	60-90 days.	-
		SHHQ	3	Sales	58,710	Normal.	2
		SHHQ	3	Purchase	51	Normal.	-
		SHHQ	3	Interest expense	155	Normal.	-
		SHHQ	3	Payables to related parties	20,075	60-90 days.	-

(Continued)

Number	Company Name	Counter Party	Flow of Transaction (Note A)	Transaction Details			% to Consolidated Assets/Revenue (Note C)
				Financial Statement Account	Amount	Payment Terms	
		AXA	3	Receivables from related parties	\$ 7,011	Prompt collection.	-
		AINS	3	Receivables from related parties	57,535	25th of every month.	-
		AINS	3	Sales	62,096	Normal.	2
		AINS	3	Purchase	10,360	Normal.	-
		AINS	3	Payables to related parties	1,758	25th of every month.	-
		AAU	3	Receivables from related parties	743	30th of every month.	-
		AAU	3	Sales	2,165	Normal.	-
		BCM Embedded Computer Inc.	3	Receivables from related parties	531	Prompt collection.	-
		AAC(BVI)	3	Dividend payable	2,134	Prompt payment.	-
		AEU	3	Receivables from related parties	429	60-90 days.	-
		AEU	3	Sales	807	Normal.	-
		AESC	3	Purchase	940	Normal.	-
4	ATC	Advantech Co., Ltd.	2	Receivables from related parties	596,714	60 days.	4
		Advantech Co., Ltd.	2	Royalty expene	39,983	Normal.	1
		Advantech Co., Ltd.	2	Sales	793,592	Normal.	22
		AKMC	3	Purchase	648,046	Normal.	18
		AKMC	3	Payables to related parties	222,200	60-90 days.	1
		AKMC	3	Receivables from related parties	141	60-90 days.	-
		ANA	3	Purchase	93	Normal.	-
		ANA	3	Payables to related parties	2,606	60-90 days.	-
		ADL	3	Purchase	4,063	Normal.	-
		ADL	3	Payables to related parties	5,976	7 days after invoice date.	-
5	AKMC	Advantech Co., Ltd.	2	Purchase	31,839	Normal.	1
		Advantech Co., Ltd.	2	Payables to related parties	10,519	45 days.	-
		Advantech Co., Ltd.	2	Receivables from related parties	156	60 days.	-
		ACN	3	Purchase	4,915	Normal.	-
		ACN	3	Rental revenue	985	Normal.	-
		ACN	3	Sales	3,905	Normal.	-
		ACN	3	Receivables from related parties	3,645	60-90 days.	-
		ACN	3	Payables to related parties	104,876	60-90 days.	1
		ACN	3	Interest expense	568,258	Normal.	16
		AAU	3	Sales	182	Normal.	-
		AAU	3	Receivables from related parties	100	Prompt collection.	-
		ADMC	3	Receivables from related parties	9,945	60-90 days.	-
		ADMC	3	Sales	1,121	Normal.	-
		ATC	3	Payables to related parties	141	60-90 days.	-
		ATC	3	Sales	648,046	Normal.	18
		ATC	3	Receivables from related parties	222,200	60-90 days.	1
		SHHQ	3	Receivables from related parties	36	60-90 days.	-
		AINS	3	Receivables from related parties	16,439	Prompt collection.	-
		AINS	3	Sales	18,412	Normal.	1
		AINS	3	Purchase	282	Normal.	-
		AINS	3	Payables to related parties	330	30 days.	-
		ANA	3	Payables to related parties	101,730	30 days after invoice date.	1

(Continued)

Number	Company Name	Counter Party	Flow of Transaction (Note A)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% to Consolidated Assets/Revenue (Note C)
		Advansus Corp.	3	Payables to related parties	\$ 163,799	60-90 days.	1
		Advansus Corp.	3	Purchase	325,898	Normal.	9
6	ADMC	Advantech Co., Ltd.	2	Purchase	3	Normal.	-
		Advantech Co., Ltd.	2	Payables to related parties	314	45 days.	-
		Advantech Co., Ltd.	2	Receivables from related parties	80	60 days.	-
		AYS	3	Sales	97,373	Normal.	3
		AYS	3	Receivables from related parties	33,716	60-90 days.	-
		AKMC	3	Payables to related parties	9,945	60-90 days.	-
		AKMC	3	Purchase	1,121	Normal.	-
7	APL	Advantech Co., Ltd.	2	Purchase	2,467	Normal.	-
		Advantech Co., Ltd.	2	Sales	3	Normal.	-
		Advantech Co., Ltd.	2	Payables to related parties	9,376	45 days.	-
		Advantech Co., Ltd.	2	Receivables from related parties	1,087	30 days after invoice date.	-
		ADL	3	Receivables from related parties	12	30 days after invoice date.	-
		AESC	3	Sales	10,360	Normal.	-
		AESC	3	Receivables from related parties	7,060	30 days after invoice date.	-
		AESC	3	Receivables from related parties	7,060	30 days after invoice date.	-
8	AEU	ACN	3	Payables to related parties	429	60-90 days.	-
		ACN	3	Purchase	807	Normal.	-
		ADL	3	Receivables from related parties	74,607	30 days after invoice date.	-
		AESC	3	Receivables from related parties	4,503	30 days after invoice date.	-
9	ADL	ATC	3	Sales	4,063	Normal.	-
		ATC	3	Receivables from related parties	5,976	7 days after invoice date.	-
		AESC	3	Sales	11	Normal.	-
		AESC	3	Commission revenue	104,875	Normal.	3
		AESC	3	Purchase	2,091	Normal.	-
		AESC	3	Interest expense	789	Normal.	-
		AESC	3	Receivables from related parties	15,655	30 days after invoice date.	-
		AESC	3	Payables to related parties	29,808	30 days after invoice date.	-
		AESC	3	Advance receipts	51,785	30 days after invoice date.	-
		AEU	3	Payables to related parties	74,607	30 days after invoice date.	-
		APL	3	Payables to related parties	12	30 days after invoice date.	-
10	ASG	Advantech Co., Ltd.	2	Receivables from related parties	310	60-90 days.	-
		Advantech Co., Ltd.	2	Purchase	20,354	Normal.	1
		Advantech Co., Ltd.	2	Payables to related parties	11,849	60-90 days.	-
		AMY	3	Receivables from related parties	43	30 days.	-
		ANA	3	Purchase	240	Normal.	-
11	AJP	Advantech Co., Ltd.	2	Sales	49	Normal.	-
		Advantech Co., Ltd.	2	Receivables from related parties	47	60-90 days.	-
		Advantech Co., Ltd.	2	Purchase	59,322	Normal.	2
		Advantech Co., Ltd.	2	Payables to related parties	29,153	60-90 days.	-

(Continued)

Number	Company Name	Counter Party	Flow of Transaction (Note A)	Transaction Details			% to Consolidated Assets/Revenue (Note C)
				Financial Statement Account	Amount	Payment Terms	
12	AAU	Advantech Co., Ltd.	2	Purchase	\$ 34,297	Normal.	1
		Advantech Co., Ltd.	2	Payables to related parties	55,215	60-90 days.	-
		AKMC	3	Purchase	182	Normal.	-
		AKMC	3	Payables to related parties	100	Prompt payment.	-
		AESC	3	Purchase	21	Normal.	-
		ANA	3	Purchase	7	Normal.	-
		ANA	3	Payables to related parties	1	60-90 days.	-
		ACN	3	Payables to related parties	743	30th of every month.	-
		ACN	3	Purchase	2,165	Normal.	-
13	Advansus Corp.	Advantech Co., Ltd.	2	Sales	239,971	Normal.	7
		Advantech Co., Ltd.	2	Receivables from related parties	35,480	60-90 days.	-
		Advantech Co., Ltd.	2	Purchase	1,533	Normal.	-
		Advantech Co., Ltd.	2	Payables to related parties	122,643	60-90 days.	1
		Advantech Co., Ltd.	2	Rental expense	1,755	Normal.	-
		Advantech Co., Ltd.	2	Rental revenue	2,664	Normal.	-
		Advantech Co., Ltd.	2	Other expense	1,612	Normal.	-
		ANA	3	Receivables from related parties	12	Prompt collection.	-
		ANA	3	Sales	239	Normal.	-
		AKMC	3	Receivables from related parties	163,799	60-90 days.	1
		AKMC	3	Sales	325,898	Normal.	9
		BCM Embedded Computer Inc.	3	Receivables from related parties	3,546	60-90 days.	-
		BCM Embedded Computer Inc.	3	Sales	6,314	Normal.	-
		Netstar Technology Co., Ltd.	3	Receivables from related parties	42	30 days.	-
		Netstar Technology Co., Ltd.	3	Sales	47	Normal.	-
14	AIMS	Advantech Co., Ltd.	2	Rental expense	75	Normal.	-
		Advantech Co., Ltd.	2	Other expense	6	Normal.	-
15	Advantech Fund-A	Advantech Co., Ltd.	2	Rental expense	9	Normal.	-
16	AMY	Advantech Co., Ltd.	2	Sales	61	Normal.	-
		Advantech Co., Ltd.	2	Purchase	3,186	Normal.	-
		Advantech Co., Ltd.	2	Payables to related parties	4,155	45 days.	-
		Advantech Co., Ltd.	2	Receivables from related parties	2,718	60 days.	-
		ASG	3	Payables to related parties	43	30 days.	-
17	SHHQ	ASG	3	Purchase	156	Normal.	-
		AKMC	3	Payables to related parties	36	60-90 days.	-
		AHK	3	Receivables from related parties	8,773	60 days.	-
		AINS	3	Receivables from related parties	5,110	25th of every month.	-
		ACN	3	Purchase	58,710	Normal.	2
		ACN	3	Payables to related parties	7,301	60-90 days.	-
		BCM Embedded Computer Inc.	3	Receivables from related parties	79	Prompt collection.	-
		ACN	3	Receivables from related parties	20,075	60-90 days.	-
		ACN	3	Sales	51	Normal.	-
		ACN	3	Interest revenue	155	Normal.	-

(Continued)

Number	Company Name	Counter Party	Flow of Transaction (Note A)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% to Consolidated Assets/Revenue (Note C)
18	Netstar Technology Co., Ltd.	Advantech Co., Ltd.	2	Sales	\$ 6,492	Normal.	-
		Advantech Co., Ltd.	2	Receivables from related parties	4,845	60 days.	-
		Advansus Corp.	3	Payables to related parties	42	30 days.	-
		Advansus Corp.	3	Purchase	47	Normal.	-
19	Jan Hsiang	Advantech Co., Ltd.	2	Sales	3,403	Normal.	-
		Advantech Co., Ltd.	2	Receivables from related parties	1,774	60 days.	-
		Advantech Co., Ltd.	2	Payables to related parties	8	30 days.	-
		Advantech Co., Ltd.	2	Purchase	12	Normal.	-
20	AYS	Advantech Co., Ltd.	2	Sales	98,132	Normal.	3
		Advantech Co., Ltd.	2	Receivables from related parties	58,041	90 days.	-
		ADMC	3	Purchase	97,373	Normal.	3
		ADMC	3	Payables to related parties	33,716	60-90 days.	-
21	BCM Embedded Computer Inc.	Advantech Co., Ltd.	2	Rental expense	195	Normal.	-
		Advantech Co., Ltd.	2	Payables to related parties	173	30 days.	-
		Advantech Co., Ltd.	2	Purchase	100	Normal.	-
		Advantech Co., Ltd.	2	Receivables from related parties	116	30 days.	-
		Advantech Co., Ltd.	2	Sales	114	Normal.	-
		Advansus Corp.	3	Payables to related parties	3,546	60-90 days.	-
		Advansus Corp.	3	Purchase	6,314	Normal.	-
		SHHQ	3	Payables to related parties	79	Prompt payment.	-
		ACN	3	Payables to related parties	531	Prompt payment.	-
		AINS	3	Payables to related parties	80	Prompt payment.	-
22	Broadwin Technology, Inc.	Advantech Co., Ltd.	2	Purchase	1,491	Normal.	-
		Advantech Co., Ltd.	2	Payables to related parties	1,539	60 days.	-
23	AHK	Advantech Co., Ltd.	2	Sales	317	Normal.	-
		ACN	3	Payables to related parties	6,148	60-90 days.	-
		ACN	3	Purchase	12	Normal.	-
		SHHQ	3	Payables to related parties	8,773	60 days.	-
		AINS	3	Payables to related parties	47	30 days.	-
24	AINS	Advantech Co., Ltd.	2	Purchase	163,030	Normal.	5
		Advantech Co., Ltd.	2	Payables to related parties	154,390	60 days.	1
		AKMC	3	Sales	282	Normal.	-
		AKMC	3	Purchase	18,412	Normal.	1
		AKMC	3	Payables to related parties	16,439	Prompt payment.	-
		AKMC	3	Receivables from related parties	330	30 days.	-
		SHHQ	3	Payables to related parties	5,110	25th of every month.	-
		ACN	3	Sales	10,360	Normal.	-
		ACN	3	Receivables from related parties	1,758	25th of every month.	-
		ACN	3	Purchase	62,096	Normal.	2
		ACN	3	Payables to related parties	57,535	25th of every month.	-
		AHK	3	Receivables from related parties	47	30 days.	-
		BCM Embedded Computer Inc.	3	Receivables from related parties	80	Prompt collection.	-

(Continued)

Number	Company Name	Counter Party	Flow of Transaction (Note A)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% to Consolidated Assets/Revenue (Note C)
25	Hangzhou Advantofine Automation Tech. Co., Ltd.	ACN	3	Payables to related parties	\$ 778	60-90 days.	-
		ACN	3	Purchase discount	1,984	Normal.	-
26	AXA	ACN	3	Payables to related parties	7,011	Prompt collection.	-
27	AAC(BVI)	ACN	3	Dividend receivable	2,134	Prompt collection.	-
0	March 31, 2008 Advantech Co., Ltd.	AC	1	Sales	790,415	Normal.	19
		AC	1	Receivables from related parties	465,029	45 days.	3
		AC	1	Purchase	8,321	Normal.	-
		AC	1	Payables to related parties	4,362	45 days.	-
		AESC	1	Sales	555,214	Normal.	13
		AESC	1	Receivables from related parties	770,453	30 days.	4
		AESC	1	Purchase	252	Normal.	-
		AESC	1	Payables to related parties	1,996	30 days.	-
		ACN	1	Sales	534,636	Normal.	13
		ACN	1	Receivables from related parties	515,238	45 days.	3
		ACN	1	Purchase	1,109	Normal.	-
		ACN	1	Payables to related parties	365	30 days.	-
		ATC	1	Dividend receivable	160,000	Prompt collection.	1
		ATC	1	Purchase	827,679	Normal.	20
		ATC	1	Payables to related parties	541,215	60 days.	3
		ATC	1	Royalty revenue	41,378	Normal.	1
		AKMC	1	Sales	7,211	Normal.	-
		AKMC	1	Receivables from related parties	32,598	45 days.	1
		AKMC	1	Payables to related parties	16	60-90 days.	-
		AAU	1	Sales	31,490	Normal.	1
		AAU	1	Receivables from related parties	18,369	60-90 days.	-
		ASG	1	Sales	32,316	Normal.	1
		ASG	1	Receivables from related parties	11,678	60-90 days.	-
		ASG	1	Purchase	4	Normal.	-
		ASG	1	Payables to related parties	4	60-90 days.	-
		AJP	1	Sales	67,632	Normal.	2
		AJP	1	Receivables from related parties	65,601	60-90 days.	-
		AJP	1	Purchase	1	Normal.	-
		AJP	1	Payables to related parties	28	60-90 days.	-
		Advansus Corp.	1	Sales	3,938	Normal.	-
		Advansus Corp.	1	Receivables from related parties	208,704	60-90 days.	1
		Advansus Corp.	1	Purchase	119,768	Normal.	3
Advansus Corp.	1	Payables to related parties	36,589	60-90 days.	-		
Advansus Corp.	1	Rental revenue	870	Normal.	-		
AIMS	1	Rental revenue	75	Normal.	-		
AIMS	1	Receivables from related parties	26	60-90 days.	-		
BCM Embedded Computer Inc.	1	Rental revenue	75	Normal.	-		

(Continued)

Number	Company Name	Counter Party	Flow of Transaction (Note A)	Transaction Details			% to Consolidated Assets/Revenue (Note C)
				Financial Statement Account	Amount	Payment Terms	
		BCM Embedded Computer Inc.	1	Receivables from related parties	\$ 26	30 days.	-
		Advantech Fund-A	1	Rental revenue	9	Normal.	-
		Advantech Fund-A	1	Receivables from related parties	3	60-90 days.	-
		Broadwin Technology, Inc.	1	Sales	345	Normal.	-
		Broadwin Technology, Inc.	1	Receivables from related parties	422	60 days.	-
		Broadwin Technology, Inc.	1	Purchase	552	Normal.	-
		Broadwin Technology, Inc.	1	Payables to related parties	623	60 days.	-
		ADL (FORMER NAME: AEBC)	1	Receivables from related parties	6,351	30 days.	-
		ADL (FORMER NAME: AEBC)	1	Purchase	145	Normal.	-
		ADL (FORMER NAME: AEBC)	1	Payables to related parties	3,234	30 days.	-
		SHHQ	1	Receivables from related parties	4,493	45 days.	-
		AMY	1	Sales	6,817	Normal.	-
		AMY	1	Receivables from related parties	4,593	45 days.	-
		AMY	1	Purchase	1	Normal.	-
		AMY	1	Payables to related parties	19	60 days.	-
		APL	1	Sales	3,193	Normal.	-
		APL	1	Receivables from related parties	27,080	45 days.	-
		Netstar Technology Co., Ltd.	1	Purchase	5,514	Normal.	-
		Netstar Technology Co., Ltd.	1	Payables to related parties	3,585	60 days.	-
		Jan Hsiang	1	Sales	1	Normal.	-
		Jan Hsiang	1	Purchase	5,174	Normal.	-
		Jan Hsiang	1	Payables to related parties	1,658	60 days.	-
		AYS	1	Receivables from related parties	212	30 days.	-
		AYS	1	Purchase	128,087	Normal.	3
		AYS	1	Payables to related parties	102,548	90 days.	1
		ADMC	1	Sales	13	Normal.	-
		ADMC	1	Receivables from related parties	261	45 days.	-
1	AC	Advantech Co., Ltd.	2	Sales	8,321	Normal.	-
		Advantech Co., Ltd.	2	Receivables from related parties	4,362	45 days.	-
		Advantech Co., Ltd.	2	Purchase	790,415	Normal.	19
		Advantech Co., Ltd.	2	Payables to related parties	465,029	45 days.	3
		ASG	3	Sales	229	Normal.	-
		ASG	3	Receivables from related parties	220	15 days after invoice date.	-
		AESC	3	Sales	636	Normal.	-
		AESC	3	Receivables from related parties	257	60-90 days.	-
		AESC	3	Payables to related parties	16	30 days after invoice date.	-
		ATC	3	Sales	436	Normal.	-
		ATC	3	Receivables from related parties	1,080	60-90 days.	-
		AMY	3	Sales	8	Normal.	-
		AMY	3	Receivables from related parties	8	60-90 days.	-
		AAU	3	Sales	48	Normal.	-
		AAU	3	Receivables from related parties	7	60-90 days.	-
		AJP	3	Sales	4	Normal.	-
		AJP	3	Receivables from related parties	4	15 days after invoice date.	-
		ACN	3	Sales	312	Normal.	-

(Continued)

Number	Company Name	Counter Party	Flow of Transaction (Note A)	Transaction Details			% to Consolidated Assets/Revenue (Note C)
				Financial Statement Account	Amount	Payment Terms	
2	AESC	Advantech Co., Ltd.	2	Sales	\$ 252	Normal.	-
		Advantech Co., Ltd.	2	Receivables from related parties	1,996	30 days.	-
		Advantech Co., Ltd.	2	Purchase	555,214	Normal.	13
		Advantech Co., Ltd.	2	Payables to related parties	770,453	30 days.	4
		ADL	3	Commission expense	161	Normal.	-
		AIT	3	Commission expense	2,517	Normal.	-
		APL	3	Commission expense	247	Normal.	-
		AUK	3	Commission expense	22	Normal.	-
		AC	3	Purchase	636	Normal.	-
		AC	3	Payables to related parties	257	60-90 days.	-
		AC	3	Receivables from related parties	16	30 days after invoice date.	-
		AAU	3	Receivables from related parties	35	30 days after invoice date.	-
		ABB	3	Commission expense	138	Normal.	-
		ACN	3	Receivables from related parties	163	60-90 days.	-
		ASG	3	Receivables from related parties	6	30 days after invoice date.	-
		AFR	3	Commission expense	79	Normal.	-
		3	ACN	Advantech Co., Ltd.	2	Sales	1,109
Advantech Co., Ltd.	2			Receivables from related parties	365	30 days.	-
Advantech Co., Ltd.	2			Purchase	534,636	Normal.	13
Advantech Co., Ltd.	2			Payables to related parties	515,238	45 days.	3
AEU	3			Receivables from related parties	292	60-90 days.	-
AEU	3			Sales	208	Normal.	-
AESC	3			Payables to related parties	163	60-90 days.	-
ADMC	3			Receivables from related parties	134	60-90 days.	-
AC	3			Purchase	312	Normal.	-
AJP	3			Receivables from related parties	19	60-90 days.	-
AJP	3			Sales	17	Normal.	-
AKMC	3			Receivables from related parties	3,645	60-90 days.	-
AKMC	3			Purchase	5,561	Normal.	-
AKMC	3			Payables to related parties	5,089	60-90 days.	-
AKMC	3			Sales	3,491	Normal.	-
AKMC	3			Rental expense	905	Normal.	-
SHHQ	3			Purchase	517	Normal.	-
SHHQ	3			Payables to related parties	385	60-90 days.	-
SHHQ	3			Sales	114,837	Normal.	3
SHHQ	3			Receivables from related parties	54,109	60-90 days.	-
AHK	3	Receivables from related parties	5,360	60-90 days.	-		
4	ATC	Advantech Co., Ltd.	2	Sales	827,679	Normal.	20
		Advantech Co., Ltd.	2	Receivables from related parties	541,215	60 days.	3
		Advantech Co., Ltd.	2	Royalty expense	41,378	Normal.	1
		Advantech Co., Ltd.	2	Dividend payable	160,000	Prompt payment.	1
		AKMC	3	Purchase	648,303	Normal.	16
		AKMC	3	Sales	2,237	Normal.	-
		AKMC	3	Payables to related parties	93,024	60-90 days.	1
		AKMC	3	Receivables from related parties	5,468	60-90 days.	-
		AC	3	Purchase	436	Normal.	-
		AC	3	Payables to related parties	1,080	60-90 days.	-

(Continued)

Number	Company Name	Counter Party	Flow of Transaction (Note A)	Transaction Details			% to Consolidated Assets/Revenue (Note C)
				Financial Statement Account	Amount	Payment Terms	
5	AKMC	Advantech Co., Ltd.	2	Receivables from related parties	\$ 16	60-90 days.	-
		Advantech Co., Ltd.	2	Purchase	7,211	Normal.	-
		Advantech Co., Ltd.	2	Payables to related parties	32,598	45 days.	-
		ACN	3	Rental revenue	905	Normal.	-
		ACN	3	Sales	5,561	Normal.	-
		ACN	3	Receivables from related parties	5,089	60-90 days.	-
		ACN	3	Purchase	3,491	Normal.	-
		ACN	3	Payables to related parties	3,645	60-90 days.	-
		AAU	3	Receivables from related parties	170	Prompt collection.	-
		AAU	3	Sales	117	Normal.	-
		AKL	3	Receivables from related parties	29	Prompt collection.	-
		AKL	3	Sales	49	Normal.	-
		APN	3	Receivables from related parties	19	Prompt collection.	-
		APN	3	Sales	20	Normal.	-
		ASG	3	Receivables from related parties	28	45 days after invoice date.	-
		ASG	3	Sales	82	Normal.	-
		ADMC	3	Receivables from related parties	13,714	60-90 days.	-
		ADMC	3	Sales	9,166	Normal.	-
		ATC	3	Purchase	2,237	Normal.	-
		ATC	3	Payables to related parties	5,468	60-90 days.	-
		ATC	3	Sales	648,303	Normal.	16
		ATC	3	Receivables from related parties	93,024	60-90 days.	1
		SHHQ	3	Payables to related parties	1	60-90 days.	-
		SHHQ	3	Receivables from related parties	161	60-90 days.	-
		Advansus Corp.	3	Payables to related parties	150,586	60-90 days.	1
		Advansus Corp.	3	Purchase	194,647	Normal.	5
6	ADMC	Advantech Co., Ltd.	2	Purchase	13	Normal.	-
		Advantech Co., Ltd.	2	Payables to related parties	261	45 days.	-
		ACN	3	Payables to related parties	134	60-90 days.	-
		AKMC	3	Purchase	9,166	Normal.	-
		AKMC	3	Payables to related parties	13,714	60-90 days.	-
		AYS	3	Sales	113,294	Normal.	3
		AYS	3	Receivables from related parties	63,859	60-90 days.	-
7	APL	Advantech Co., Ltd.	2	Purchase	3,193	Normal.	-
		Advantech Co., Ltd.	2	Payables to related parties	27,080	45 days.	-
		AESC	3	Commission revenue	247	Normal.	-
8	ASG	Advantech Co., Ltd.	2	Sales	4	Normal.	-
		Advantech Co., Ltd.	2	Receivables from related parties	4	60-90 days.	-
		Advantech Co., Ltd.	2	Purchase	32,316	Normal.	1
		Advantech Co., Ltd.	2	Payables to related parties	11,678	60-90 days.	-
		AMY	3	Other revenue	42	Normal.	-
		AESC	3	Payables to related parties	6	30 days after invoice date.	-

(Continued)

Number	Company Name	Counter Party	Flow of Transaction (Note A)	Transaction Details			% to Consolidated Assets/Revenue (Note C)
				Financial Statement Account	Amount	Payment Terms	
		AC	3	Purchase	\$ 229	Normal.	-
		AC	3	Payables to related parties	220	15 days after invoice date.	-
		AKMC	3	Payables to related parties	28	45 days after invoice date.	-
		AKMC	3	Purchase	82	Normal.	-
9	AJP	Advantech Co., Ltd.	2	Sales	1	Normal.	-
		Advantech Co., Ltd.	2	Receivables from related parties	28	60-90 days.	-
		Advantech Co., Ltd.	2	Purchase	67,632	Normal.	2
		Advantech Co., Ltd.	2	Payables to related parties	65,601	60-90 days.	-
		ACN	3	Payables to related parties	19	60-90 days.	-
		ACN	3	Purchase	17	Normal.	-
		AC	3	Purchase	4	Normal.	-
		AC	3	Payables to related parties	4	15 days after invoice date.	-
10	AAU	Advantech Co., Ltd.	2	Purchase	31,490	Normal.	1
		Advantech Co., Ltd.	2	Payables to related parties	18,369	60-90 days.	-
		AKMC	3	Payables to related parties	170	Prompt payment.	-
		AESC	3	Payables to related parties	35	30 days after invoice date.	-
		AKMC	3	Purchase	117	Normal.	-
		AC	3	Purchase	48	Normal.	-
		AC	3	Payables to related parties	7	60-90 days.	-
11	ADL (FORMER NAME: AEBC)	Advantech Co., Ltd.	2	Sales	145	Normal.	-
		Advantech Co., Ltd.	2	Receivables from related parties	3,234	30 days.	-
		Advantech Co., Ltd.	2	Payables to related parties	6,351	30 days.	-
		AESC	3	Commission revenue	161	Normal.	-
12	Advansus Corp.	Advantech Co., Ltd.	2	Sales	119,768	Normal.	3
		Advantech Co., Ltd.	2	Receivables from related parties	36,589	60-90 days.	-
		Advantech Co., Ltd.	2	Purchase	3,938	Normal.	-
		Advantech Co., Ltd.	2	Payables to related parties	208,704	60-90 days.	1
		Advantech Co., Ltd.	2	Rental expense	870	Normal.	-
		AKMC	3	Receivables from related parties	150,586	60-90 days.	1
		AKMC	3	Sales	194,647	Normal.	5
		BCM Embedded Computer Inc.	3	Receivables from related parties	2,124	60-90 days.	-
		BCM Embedded Computer Inc.	3	Sales	2,394	Normal.	-
13	AIMS	Advantech Co., Ltd.	2	Rental expense	75	Normal.	-
		Advantech Co., Ltd.	2	Payables to related parties	26	60-90 days.	-
14	Advantech Fund-A	Advantech Co., Ltd.	2	Rental expense	9	Normal.	-
		Advantech Co., Ltd.	2	Payables to related parties	3	60-90 days.	-

(Continued)

Number	Company Name	Counter Party	Flow of Transaction (Note A)	Transaction Details			% to Consolidated Assets/Revenue (Note C)
				Financial Statement Account	Amount	Payment Terms	
15	AMY	Advantech Co., Ltd.	2	Sales	\$ 1	Normal.	-
		Advantech Co., Ltd.	2	Receivables from related parties	19	60 days.	-
		Advantech Co., Ltd.	2	Purchase	6,817	Normal.	-
		Advantech Co., Ltd.	2	Payables to related parties	4,593	45 days.	-
		AC	3	Purchase	8	Normal.	-
		AC	3	Payables to related parties	8	60-90 days.	-
		ASG	3	Other expense	42	Normal.	-
16	AEU	ACN	3	Payables to related parties	292	60-90 days.	-
		ACN	3	Purchase	208	Normal.	-
17	SHHQ	Advantech Co., Ltd.	2	Payables to related parties	4,493	45 days.	-
		AHK	3	Receivables from related parties	4,132	60-90 days.	-
		AKMC	3	Payables to related parties	161	60-90 days.	-
		AKMC	3	Receivables from related parties	1	60-90 days.	-
		ACN	3	Sales	517	Normal.	-
		ACN	3	Receivables from related parties	385	60-90 days.	-
		ACN	3	Purchase	114,837	Normal.	3
		ACN	3	Payables to related parties	54,109	60-90 days.	-
18	AIT	AESC	3	Commission revenue	2,517	Normal.	-
19	Netstar Technology Co., Ltd.	Advantech Co., Ltd.	2	Sales	5,514	Normal.	-
		Advantech Co., Ltd.	2	Receivables from related parties	3,585	60 days.	-
20	Jan Hsiang	Advantech Co., Ltd.	2	Sales	5,174	Normal.	-
		Advantech Co., Ltd.	2	Receivables from related parties	1,658	60 days.	-
		Advantech Co., Ltd.	2	Purchase	1	Normal.	-
21	APN	AKMC	3	Payables to related parties	19	Prompt payment.	-
		AKMC	3	Purchase	20	Normal.	-
22	AKL	AKMC	3	Payables to related parties	29	Prompt payment.	-
		AKMC	3	Purchase	49	Normal.	-
23	AYS	Advantech Co., Ltd.	2	Sales	128,087	Normal.	3
		Advantech Co., Ltd.	2	Receivables from related parties	102,548	90 days.	1
		Advantech Co., Ltd.	2	Payables to related parties	212	30 days	-
		ADMC	3	Purchase	113,294	Normal.	3
		ADMC	3	Payables to related parties	63,859	60-90 days.	-
24	AFR	AESC	3	Commission revenue	79	Normal.	-
25	AUK	AESC	3	Commission revenue	22	Normal.	-

(Continued)

Number	Company Name	Counter Party	Flow of Transaction (Note A)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% to Consolidated Assets/Revenue (Note C)
26	ABB	AESC	3	Commission revenue	\$ 138	Normal.	-
27	BCM Embedded Computer Inc.	Advantech Co., Ltd.	2	Rental expense	75	Normal.	-
		Advantech Co., Ltd.	2	Payables to related parties	26	30 days.	-
		Advansus Corp.	3	Payables to related parties	2,124	60-90 days.	-
		Advansus Corp.	3	Purchase	2,394	Normal.	-
28	Broadwin Technology, Inc.	Advantech Co., Ltd.	2	Sales	552	Normal.	-
		Advantech Co., Ltd.	2	Receivables from related parties	623	60 days.	-
		Advantech Co., Ltd.	2	Purchase	345	Normal.	-
		Advantech Co., Ltd.	2	Payables to related parties	422	60 days.	-
29	AHK	ACN	3	Payables to related parties	5,360	60-90 days.	-
		SHHQ	3	Payables to related parties	4,132	60-90 days	-

Note A: Significant transactions between parent company and its subsidiaries or among subsidiaries are numbered as follows:

1. "0" for Advantech Co., Ltd.
2. Subsidiaries are numbered from "1".

Note B: Flow of related-party transactions is as follows:

1. From parent company Advantech Co., Ltd. to its subsidiary.
2. Subsidiary to its parent company, Advantech Co., Ltd.
3. Among subsidiaries.

Note C: For assets and liabilities, amount is shown as a percentage to consolidated total assets as of March 31, 2009 and 2008, respectively; while revenues, costs and expenses are shown as a percentage to consolidated total operating revenues for the three months ended March 31, 2009 and 2008, respectively.

Note D: All intercompany transactions have been eliminated.

(Concluded)