

Advantech Co., Ltd. and Subsidiaries

**Consolidated Financial Statements for the
Three Months Ended March 31, 2011 and 2010 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, 2011 and 2010, 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 - "Engagements to Review 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 all of the Company's subsidiaries as of and for the three months ended March 31, 2011 and 2010 had not been reviewed. The total assets of these subsidiaries were 50.96% (NT\$10,416,464 thousand) and 54.98% (NT\$9,481,024 thousand) of the Company's consolidated total assets as of March 31, 2011 and 2010, respectively. The total liabilities of these subsidiaries were 43.35% (NT\$2,635,352 thousand) and 64.02% (NT\$2,512,398 thousand) of the Company's consolidated total liabilities as of March 31, 2011 and 2010, respectively. The operating revenues of these subsidiaries were 78.78% (NT\$5,118,087 thousand) and 81.38% (NT\$3,527,046 thousand) of the Company's consolidated operating revenues in the three months ended March 31, 2011 and 2010, respectively. The net incomes of these subsidiaries were 17.79% (NT\$160,691 thousand) and 30.29% (NT\$152,890 thousand) of the Company's consolidated net income in the three months ended March 31, 2011 and 2010, respectively. Also, as stated in Note 9 to the financial statements, Advantech Co., Ltd. had other investments accounted for by the equity method. The carrying values of these investments of NT\$380,121 thousand and NT\$378,268 thousand as of March 31, 2011 and 2010, respectively, and the Company's equity in these investees' net income amounting to NT\$14,194 thousand and NT\$8,737 thousand in the three months ended March 31, 2011 and 2010, 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 the Financial Supervisory Commission under the Executive Yuan on November 15, 2007; and accounting principles generally accepted in the Republic of China.

April 25, 2011

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' review 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' review report and consolidated financial statements shall prevail.

ADVANTECH CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

MARCH 31, 2011 AND 2010

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

(Reviewed, Not Audited)

ASSETS	2011		2010		LIABILITIES AND SHAREHOLDERS' EQUITY	2011		2010	
	Amount	%	Amount	%		Amount	%	Amount	%
CURRENT ASSETS					CURRENT LIABILITIES				
Cash (Note 4)	\$ 2,339,091	12	\$ 2,447,988	14	Financial liabilities at fair value through profit or loss - current (Notes 2, 5 and 20)	67,104	-	1,084	-
Financial assets at fair value through profit or loss - current (Notes 2, 5 and 20)	41,585	-	14,948	-	Short-term bank loans (Notes 12 and 18)	853,218	4	67,407	-
Available-for-sale financial assets - current (Notes 2, 6 and 20)	15,110	-	12,804	-	Accounts payable (Note 17)	2,528,827	12	1,775,013	10
Notes receivable (Note 2)	299,724	2	232,146	1	Income tax payable (Note 2)	540,002	3	199,714	1
Accounts receivable, net of allowance for doubtful accounts of \$42,055 thousand in 2011 and \$47,503 thousand in 2010 (Note 2)	3,890,338	19	2,489,329	15	Accrued expenses (Note 14)	1,333,128	7	1,116,501	7
Accounts receivable from related parties (Notes 2 and 17)	36,681	-	9,076	-	Long-term bank loans - current portion (Notes 13 and 18)	2,500	-	2,500	-
Other receivables	64,484	-	43,553	-	Advance receipts and other current liabilities	254,077	1	310,735	2
Inventories, net (Notes 2 and 7)	3,673,886	18	2,754,458	16					
Deferred income tax assets - current (Note 2)	58,549	-	78,769	1	Total current liabilities	5,578,856	27	3,472,954	20
Restricted assets - current (Note 18)	-	-	620	-					
Prepayments and other current assets	167,434	1	500,194	3	LONG-TERM LIABILITIES				
					Long-term bank loans, net of current portion (Notes 13 and 18)	18,973	-	31,472	-
Total current assets	10,586,882	52	8,583,885	50					
LONG-TERM INVESTMENTS					OTHER LIABILITIES				
Available-for-sale financial assets - noncurrent (Notes 2, 6 and 20)	2,358,266	12	2,698,857	16	Accrued pension liabilities (Note 2)	125,701	1	120,833	1
Financial assets carried at cost - noncurrent (Notes 2 and 8)	103,588	-	158,005	1	Guarantee deposits received	7,459	-	542	-
Investments accounted for by the equity method (Notes 2 and 9)	380,121	2	378,268	2	Deferred income tax liabilities - noncurrent (Note 2)	348,200	2	297,301	2
					Deferred credits (Note 2)	269	-	1,539	-
Total long-term investments	2,841,975	14	3,235,130	19					
					Total other liabilities	481,629	3	420,215	3
PROPERTIES (Notes 2, 10 and 18)					Total liabilities	6,079,458	30	3,924,641	23
Cost					SHAREHOLDERS' EQUITY (Notes 2, 14 and 15)				
Land	2,805,245	14	1,312,631	8	Capital stock, NT\$10.00 par value - parent company				
Buildings	2,654,032	13	2,671,399	15	Authorized - 600,000 thousand shares				
Machinery and equipment	916,557	4	860,271	5	Issued and outstanding - 501,634 thousand shares in 2011 and 516,134 thousand shares in 2010	5,016,337	24	5,161,337	30
Leasehold improvements	236	-	-	-	Capital surplus				
Furniture and fixtures	429,974	2	418,062	2	Additional paid-in capital from share issuance in excess of par value	4,253,103	21	4,376,041	26
Other equipment	586,202	3	490,267	3	From treasury stock	-	-	13,612	-
Total cost	7,392,246	36	5,752,630	33	From long-term equity investments	59,898	-	59,911	-
Less: Accumulated depreciation	1,663,496	8	1,484,469	8	Employee stock options	101,153	1	21,249	-
	5,728,750	28	4,268,161	25	Total capital surplus	4,414,154	22	4,470,813	26
Construction in progress and prepayment for equipment	10,029	-	18,726	-	Retained earnings				
					Legal reserve	2,102,592	10	1,927,459	11
Properties, net	5,738,779	28	4,286,887	25	Special reserve	70,136	1	1,135,596	7
					Unappropriated earnings	3,473,845	17	2,255,755	13
INTANGIBLE ASSETS (Note 2)					Total retained earnings	5,646,573	28	5,318,810	31
Trademark	91,395	-	39,717	-	Others				
Goodwill, net	602,686	3	539,936	3	Cumulative translation adjustments	(88,782)	-	178,649	1
Deferred pension cost	7,357	-	7,954	-	Net loss not recognized as pension cost	(2,121)	-	(2,353)	-
Core technology	109,326	1	93,957	1	Unrealized loss on financial instruments	(717,515)	(4)	(585,622)	(4)
Superficies	96,086	-	101,892	1	Treasury stock - 14,500 thousand shares	-	-	(1,385,698)	(8)
Other intangible assets	103,633	1	84,468	-	Total other equity	(808,418)	(4)	(1,795,024)	(11)
Total intangible assets	1,010,483	5	867,924	5					
					Total shareholders' equity of parent company	14,268,646	70	13,155,936	76
OTHER ASSETS					MINORITY INTEREST				
Assets leased to others (Notes 2 and 11)	18,289	-	13,371	-					
Refundable deposits	23,530	-	33,694	-	Total shareholders' equity	14,362,529	70	13,320,160	77
Deferred expense, net (Note 2)	222,049	1	223,910	1					
Total other assets	263,868	1	270,975	1	TOTAL	\$ 20,441,987	100	\$ 17,244,801	100
TOTAL	\$ 20,441,987	100	\$ 17,244,801	100					

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

(With Deloitte & Touche review report dated April 25, 2011)

ADVANTECH CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME
THREE MONTHS ENDED MARCH 31, 2011 AND 2010
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)
(Reviewed, Not Audited)

	2011		2010	
	Amount	%	Amount	%
OPERATING REVENUES (Notes 2 and 17)				
Sales	\$ 6,304,678	97	\$ 4,280,605	99
Sales returns and allowances	<u>53,533</u>	<u>1</u>	<u>42,776</u>	<u>1</u>
Net sales	6,251,145	96	4,237,829	98
Other operating revenues	<u>245,608</u>	<u>4</u>	<u>96,457</u>	<u>2</u>
Total operating revenues	6,496,753	100	4,334,286	100
OPERATING COSTS (Notes 7 and 17)	<u>4,070,651</u>	<u>62</u>	<u>2,553,894</u>	<u>59</u>
GROSS PROFIT	2,426,102	38	1,780,392	41
UNREALIZED INTERCOMPANY GAINS (Note 2)	(269)	-	(1,539)	-
REALIZED INTERCOMPANY GAINS (LOSSES) (Note 2)	<u>(64)</u>	<u>-</u>	<u>1,539</u>	<u>-</u>
ADJUSTED GROSS PROFIT	<u>2,425,769</u>	<u>38</u>	<u>1,780,392</u>	<u>41</u>
OPERATING EXPENSES				
Marketing	649,151	10	503,925	12
Administrative	357,939	6	276,975	6
Research and development	<u>473,572</u>	<u>7</u>	<u>405,171</u>	<u>9</u>
Total operating expenses	<u>1,480,662</u>	<u>23</u>	<u>1,186,071</u>	<u>27</u>
OPERATING INCOME	<u>945,107</u>	<u>15</u>	<u>594,321</u>	<u>14</u>
NONOPERATING INCOME AND GAINS				
Interest income	1,665	-	2,135	-
Investment income recognized under the equity method, net (Notes 2 and 9)	14,194	-	8,737	-
Gain on disposal of investments, net	14,666	-	15,314	-
Foreign exchange gain, net (Note 2)	74,776	1	-	-
Valuation gain on financial instruments (Notes 2 and 5)	49,121	1	26,799	1
Other income (Note 17)	<u>105,946</u>	<u>2</u>	<u>36,820</u>	<u>1</u>
Total nonoperating income and gains	<u>260,368</u>	<u>4</u>	<u>89,805</u>	<u>2</u>

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ADVANTECH CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME
THREE MONTHS ENDED MARCH 31, 2011 AND 2010
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)
(Reviewed, Not Audited)

	2011		2010	
	Amount	%	Amount	%
NONOPERATING EXPENSES AND LOSSES				
Interest expense	\$ 1,704	-	\$ 444	-
Valuation loss on financial instruments (Notes 2 and 5)	44,778	1	94	-
Foreign exchange loss, net (Note 2)	-	-	59,486	1
Other expenses	<u>3,072</u>	<u>-</u>	<u>17,820</u>	<u>1</u>
Total nonoperating expenses and losses	<u>49,554</u>	<u>1</u>	<u>77,844</u>	<u>2</u>
INCOME BEFORE INCOME TAX	1,155,921	18	606,282	14
INCOME TAX (Note 2)	<u>252,512</u>	<u>4</u>	<u>101,461</u>	<u>2</u>
CONSOLIDATED NET INCOME	<u>\$ 903,409</u>	<u>14</u>	<u>\$ 504,821</u>	<u>12</u>
ATTRIBUTABLE TO:				
Parent's shareholders	\$ 900,659	14	\$ 501,644	12
Minority interest	<u>2,750</u>	<u>-</u>	<u>3,177</u>	<u>-</u>
	<u>\$ 903,409</u>	<u>14</u>	<u>\$ 504,821</u>	<u>12</u>
	2011		2010	
	Before Income Tax	After Income Tax	Before Income Tax	After Income Tax
EARNINGS PER SHARE (NEW TAIWAN DOLLARS; Note 16)				
Basic	<u>\$ 2.11</u>	<u>\$ 1.80</u>	<u>\$ 1.14</u>	<u>\$ 1.00</u>
Diluted	<u>\$ 2.11</u>	<u>\$ 1.79</u>	<u>\$ 1.13</u>	<u>\$ 0.99</u>

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

(With Deloitte & Touche review report dated April 25, 2011)

(Concluded)

ADVANTECH CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS THREE MONTHS ENDED MARCH 31, 2011 AND 2010 (In Thousands of New Taiwan Dollars) (Reviewed, Not Audited)

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Consolidated net income	\$ 903,409	\$ 504,821
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	120,624	89,325
Allowance for doubtful accounts	-	9,586
Allowance for losses on inventories	2,005	37,873
Loss (gain) on disposal of properties, net	199	(6,888)
Gain on disposal of investments	(14,666)	(15,314)
Equity in net gain of investees, net	(14,194)	(8,737)
Employee stock option compensation cost	21,304	15,992
Accrued pension liabilities	11,527	7,643
Deferred income taxes	29,178	28,224
Net changes in operating assets and liabilities		
Financial instruments at fair value through profit or loss	37,198	(2,790)
Notes receivable	48,426	(27,927)
Accounts receivable	(915,594)	(99,100)
Accounts receivable from related parties	(17,497)	88,240
Other receivables	(10,988)	13,629
Other receivables from related parties	-	14,000
Inventories	(114,594)	(601,985)
Prepayments and other current assets	194,930	(120,062)
Accounts payable	761,860	91,157
Income tax payable	62,621	74,630
Accrued expenses	(118,382)	(202,856)
Advance receipts and other current liabilities	(151,027)	59,325
Deferred credits	(44)	-
Net cash provided by (used in) operating activities	<u>836,295</u>	<u>(51,214)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds of capital reduction on available-for-sale financial assets	3,522	1,851
Proceeds of the disposal of available-for-sale financial assets	37,017	-
Cash proceeds of the acquisition of subsidiaries	(88,810)	(605,740)
Acquisition of financial assets carried at cost	-	(70,331)
Proceeds of disposal of investments accounted for by the equity method	7,844	4,941
Proceeds of disposal of financial assets carried at cost	-	37,553
Acquisition of properties	(1,621,792)	(45,289)
Proceeds of the disposal of properties	25,941	40
Decrease in refundable deposits	4,520	3,144
(Increase) decrease in deferred expenses	<u>(3,027)</u>	<u>14,872</u>
Net cash used in investing activities	<u>(1,634,785)</u>	<u>(658,959)</u>

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ADVANTECH CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS THREE MONTHS ENDED MARCH 31, 2011 AND 2010 (In Thousands of New Taiwan Dollars) (Reviewed, Not Audited)

	2011	2010
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in short-term bank loans	\$ 804,645	\$ (5,461)
Decrease in long-term bank loans	(626)	-
Increase in guarantee deposits received	7,459	-
Decrease in other liabilities	(422)	(73)
Decrease in minority interest	<u>(13,173)</u>	<u>(1,200)</u>
Net cash provided by (used in) financing activities	<u>797,883</u>	<u>(6,734)</u>
EFFECT OF EXCHANGE RATE CHANGES	<u>51,565</u>	<u>12,007</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	50,958	(704,900)
CASH, BEGINNING OF PERIOD	<u>2,288,133</u>	<u>3,152,888</u>
CASH, END OF PERIOD	<u>\$ 2,339,091</u>	<u>\$ 2,447,988</u>
SUPPLEMENTARY CASH FLOW INFORMATION		
Interest paid (excluding capitalized interest)	<u>\$ 1,028</u>	<u>\$ 420</u>
Income tax paid	<u>\$ 160,713</u>	<u>\$ 110,218</u>

The fair values of the assets and liabilities of DLoG GmbH, a 100% subsidiary of Advantech Europe Holding B.V. (AEUH) as of the acquisition date in March 2010 are summarized as follows:

Cash	\$ 4,923
Accounts receivable, net	83,647
Other receivables	11,919
Inventories, net	88,829
Other current assets	5,654
Properties, net	18,029
Intangible assets	218,142
Accounts payable	(64,638)
Other current liabilities	<u>(26,979)</u>
Net	339,526
Percentage of equity interest	<u>100%</u>
	339,526
Cost in excess of book value of subsidiary acquired	<u>209,512</u>
Total	549,038
Less: Cash balances of DLoG GmbH	<u>(4,923)</u>
Cash paid for the acquisition of DLoG GmbH	<u>\$ 544,115</u>

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

(With Deloitte & Touche review report dated April 25, 2011)

(Concluded)

ADVANTECH CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS THREE MONTHS ENDED MARCH 31, 2011 AND 2010 (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.

To improve the entire operating efficiency of the group, the Company's board of directors resolved to have a short-form merger with Advantech Investment and Management Service (AIMS). The effective merger date was July 30, 2009. As the survivor entity, the Parent Company assumed all of the assets and liabilities of AIMS.

As of March 31, 2011 and 2010, the Parent Company and the consolidated subsidiaries (collectively, the "Group") had 5,597 and 4,839 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-0960064020 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 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 all its subsidiaries. All significant intercompany accounts and transactions have been eliminated from the consolidated financial statements.

For the three months ended March 31, 2011 and 2010, Advansus Corp. was consolidated using the proportionate consolidation method. All significant accounts and transactions between the Parent and these companies have been eliminated from the consolidated financial statements.

The organization charts of intercompany relationships and percentages of ownership as of March 31, 2011 and 2010 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 and 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 properties 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; and 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.

As discussed in Note 3 to the financial statements, the Company early adopted the third-time revised Statement of Financial Accounting Standards (SFAS) No. 34 - "Financial Instruments: Recognition and Measurement." One of the main revisions is that the impairment of receivables originated by the Company should be covered by SFAS No. 34. Accounts receivable are assessed for impairment at the end of each reporting period and considered impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the accounts receivable, the estimated future cash flows of the asset have been affected. Objective evidence of impairment could include:

- Significant financial difficulty of the debtor;
- The accounts receivable becoming overdue; or
- The probability that the debtor will enter into bankruptcy or financial reorganization.

Accounts receivable that are assessed not to be impaired individually are further assessed for collective impairment. Objective evidence of impairment for a portfolio of accounts receivable could include the Company's past difficulty in collecting payments and an increase in the number of delayed payments, as well as observable changes in national or local economic conditions that correlate with defaults on receivables.

The impairment loss recognized is the difference between the asset carrying amount and the present value of estimated future cash flows, after taking into account the related collaterals and guarantees, discounted at the receivable's original effective interest rate. The carrying amount of the accounts receivable is reduced through the use of an allowance account. When accounts receivable are considered uncollectible, they are written off against the allowance account. Recoveries of amounts previously written off are credited to the allowance account. Changes in the carrying amount of the allowance account are recognized as bad debt in profit or loss.

Inventories

Inventories consist of raw materials and supplies, work-in-process, and finished goods, and are stated at the lower of cost or net realizable value. Inventory write-downs are made 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 in equity instruments with no quoted prices in an active market and with fair values that cannot be reliably measured, such as non-publicly traded stocks and stocks traded in the Emerging Stock Market, are measured at their original cost. The accounting treatment for dividends on financial assets carried at cost is the same with that for dividends on available-for-sale financial assets. An impairment loss is recognized when there is objective evidence that the asset is impaired. A reversal of this impairment loss is disallowed.

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 acquisition cost is allocated to the assets acquired and liabilities assumed on the basis of their fair values at the date of acquisition, and the acquisition cost in excess of the fair value of the identifiable net assets acquired is recognized as goodwill. Goodwill is not being amortized. The fair value of the net identifiable assets acquired in excess of the acquisition cost is used to reduce the fair value of each of the noncurrent assets acquired (except for financial assets other than investments accounted for by the equity method, noncurrent assets held for sale, deferred income tax assets, prepaid pension or other postretirement benefit) in proportion to the respective fair values of the noncurrent assets, with any excess recognized as an extraordinary gain.

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, 15 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

Intangible assets arising from acquisition (excluding goodwill) are initially recorded at their fair values, and are amortized on a straight line basis over their estimated useful lives. Core technology, customer relationship and other intangible assets are amortized on a straight line basis over 1 year to 7 years; trademark is determined to have an indefinite useful life, hence it is tested for impairment annually, and the useful life of this asset is reviewed at each balance sheet date to determine whether events and circumstances continue to support the indefinite useful life assessment for that asset.

Goodwill is an investment premium, which is the difference between the cost of investment and the net acquired equity. Effective January 1, 2006, based on the newly released Statement of Financial Accounting Standards No. 37 - "Intangible Assets," goodwill is no longer amortized and instead is tested for impairment annually. Superficies refer to royalty paid for the usage of the land, and it is amortized on a straight line basis over 50 years.

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 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 (CGUs) 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.

Stock-based Compensation

Employee stock options granted on or after January 1, 2008 are accounted for under Statement of Financial Accounting Standards No. 39 - "Share-based Payment." Under the statement, the value of the stock options granted, which is equal to the best available estimate of the number of stock options expected to vest multiplied by the grant-date fair value, is expensed on a straight-line basis over the vesting period, with a corresponding adjustment to capital surplus - employee stock options. The estimate is revised if subsequent information indicates that the number of stock options expected to vest differs from previous estimates.

Pension Costs

For the Parent Company and its domestic subsidiaries, pension cost under a defined benefit plan is determined by actuarial valuations. Contributions made under a defined contribution plan are recognized as pension cost during the period in which employees render services.

Curtailed or settlement gains or losses on the defined benefit plan are 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.

Upon treasury share disposal, the selling price in excess of the book value is recorded under capital surplus - treasury stock transaction. If the selling price is lower than book value, the difference is charged against capital surplus from treasury stock, and any deficit is debited to unappropriated retained earnings. Upon write-off, the capital surplus - additional paid-in capital from share issuance in excess of par is debited pro rata. If the book value exceeds the premium on issuance of capital stock, the difference is offset against capital surplus - treasury stock and any deficit is charged against unappropriated retained earnings. If the book value of treasury stock is lower than the total of capital stock and premium on stock issuance, the difference is credited to capital surplus - treasury stock.

Income Tax

The Group applies inter-year allocation to its income tax, whereby deferred income tax assets and liabilities are recognized for the tax effects of temporary differences and unused tax credits. Valuation allowances are provided to the extent, if any, that it is more likely than not that deferred income tax assets will not be realized. A deferred tax asset or liability is classified as current or noncurrent in accordance with the classification of the related asset or liability for financial reporting. However, if a deferred income tax asset or liability does not relate to an asset or liability in the financial statements, then it is classified as either current or noncurrent based on the expected length of time before it is realized or settled.

Tax credits for purchases of machinery, equipment and technology, research and development expenditures, personnel training expenditures and equity investments are recognized in the current year.

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

An additional tax at 10% of unappropriated earnings is provided for as income tax in the year the shareholders approve to retain the earnings.

Foreign-currency Transactions

The financial statements of the Parent Company's and its subsidiaries' 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.

Nonderivative 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 at 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 at 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, 2010 have been reclassified to be consistent with the presentation of the consolidated financial statements as of and for the three months ended March 31, 2011.

3. ACCOUNTING CHANGES

Financial Instruments

On January 1, 2011, the Parent Company adopted the newly revised Statement of Financial Accounting Standards (SFAS) No. 34 - "Financial Instruments: Recognition and Measurement." The main revisions include (1) impairment on finance lease receivables being now covered by SFAS No. 34; (2) amendment of the scope of the applicability of SFAS No. 34 to insurance contracts; (3) inclusion of loans and receivables originated by the Parent Company in the items covered by SFAS No. 34; (4) the requirement to disclose additional guidelines on impairment testing of financial assets carried at amortized cost if the asset issuer or obligor has financial difficulties and the terms of obligations on the assets have been modified; and (5) the requirement to disclose the Parent Company's accounting treatment for modifications in the terms of its obligations. This accounting change had no significant impact on the Parent Company's financial statements as of and for the three months ended March 31, 2011.

Operating Segments

On January 1, 2011, the Group adopted the newly issued SFAS No. 41 - "Operating Segments." SFAS No. 41 regulates the disclosure of segment information that management uses to make decisions on operating matters. It requires the identification of operating segments on the basis of internal reports that are regularly reviewed by the Group's chief operating decision maker in order to allocate resources to the segments and assess their performance. This statement supersedes SFAS No. 20 - "Segment Reporting." For this accounting change, the Group revised its segment disclosures as of and for the three-month ended January 1, 2010 to conform to the disclosures as of and for the three-month ended January 1, 2011. This accounting change had no significant impact on the Group's financial statements as of and for the three months ended March 31, 2011.

4. CASH

	Three Months Ended March 31	
	2011	2010
Cash on hand	\$ 57,521	\$ 73,193
Checking and demand deposits	2,226,197	1,447,584
Time deposits: Interest - 0.40%-5.50% in 2011 and 0.13%-2.50% in 2010	<u>55,373</u>	<u>927,211</u>
	<u>\$ 2,339,091</u>	<u>\$ 2,447,988</u>

5. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

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

	Three Months Ended March 31	
	2011	2010
<u>Financial assets resulting from trading</u>		
Forward contracts	<u>\$ 41,585</u>	<u>\$ 14,948</u>
<u>Financial liabilities resulting from trading</u>		
Forward contracts	<u>\$ 67,104</u>	<u>\$ 1,084</u>

The outstanding forward contracts as of March 31, 2011 and 2010 were as follows:

	Currency	Maturity	Amount (Thousands)
<u>March 31, 2011</u>			
Sell	USD/NTD	April 2011 to February 2012	USD59,518/NTD1,777,690
Sell	JPY/USD	April 2011 to November 2011	JPY390,000/USD4,696
Sell	EUR/USD	April 2011 to February 2012	EUR19,500/USD25,689
Sell	EUR/NTD	December 2011 to January 2012	EUR2,500/NTD99,000
<u>March 31, 2010</u>			
Sell	USD/NTD	April 2010 to October 2010	USD41,378/NTD1,322,345
Sell	JPY/NTD	April 2010 to July 2010	JPY20,000/NTD7,192
Sell	JPY/USD	April 2010 to July 2010	JPY90,000/USD1,007
Sell	EUR/USD	April 2010 to October 2010	EUR8,000/USD10,871
Sell	EUR/NTD	April 2010 to August 2010	EUR2,000/NTD87,057

The Parent Company entered into forward contract transactions in the three months ended March 31, 2011 and 2010 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.

The trading of financial assets or liabilities for the three months ended March 31, 2011 and 2010 resulted in gains of \$4,343 thousand and \$26,705 thousand, respectively.

6. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Three Months Ended March 31			
	2011		2010	
	Current	Noncurrent	Current	Noncurrent
Quoted domestic stocks				
Chunghwa Telecom Co., Ltd.	\$ 15,110	\$ 113,917	\$ 12,804	\$ 96,537
ASUSTEK Computer Inc.	-	1,607,285	-	2,532,172
Pegatron Corp.	-	616,527	-	-
Avalue Technology Co., Ltd.	-	6,175	-	-
Quoted overseas stocks				
SG Advantech Co., Ltd.	-	14,362	-	70,148
	<u>\$ 15,110</u>	<u>\$ 2,358,266</u>	<u>\$ 12,804</u>	<u>\$ 2,698,857</u>

The Parent Company and its subsidiary, Advantech Fund-A, classified their holdings in Chunghwa Telecom Co., Ltd. as available-for-sale financial assets - noncurrent and current, respectively, in accordance with the nature and the purpose of the company holding the shares.

7. INVENTORIES, NET

	Three Months Ended March 31	
	2011	2010
Finished goods	\$ 1,259,563	\$ 964,062
Work in process	649,061	567,256
Materials and supplies	1,468,333	1,060,139
Inventories in transit	<u>296,929</u>	<u>163,001</u>
	<u>\$ 3,673,886</u>	<u>\$ 2,754,458</u>

As of March 31, 2011 and 2010, the allowances for losses were \$352,952 thousand and \$261,526 thousand, respectively.

As of March 31, 2011 and 2010, the costs of goods sold related to inventories were \$4,070,651 thousand and \$2,553,894 thousand, respectively, which included allowance for losses of \$2,005 thousand and \$37,873 thousand for the three months ended March 31, 2011 and 2010, respectively.

8. FINANCIAL ASSETS CARRIED AT COST

	Three Months Ended March 31	
	2011	2010
Non-publicly traded		
Domestic		
AverMedia Information Inc.	\$ 70,331	\$ 70,331
Avalue Technology Inc.	-	54,417
Foreign		
Coban Research and Technologies, Inc. (US\$1,020 thousand on March 31, 2011 and 2010)	<u>33,257</u>	<u>33,257</u>
	<u>\$ 103,588</u>	<u>\$ 158,005</u>

Investments with no quoted market prices in an active market and with fair values that cannot be reliably measured are carried at their original cost.

The shares of Avalue Technology Inc. began to be OTC traded in June 2010; thus, the Parent Company's investment in Avalue was reclassified to available-for-sale financial assets - noncurrent.

9. LONG-TERM EQUITY INVESTMENTS

	Three Months Ended March 31			
	2011		2010	
	Carrying Value	% of Ownership	Carrying Value	% of Ownership
Listed				
Axiomtek Co., Ltd.	\$ 359,770	27.29	\$ 350,852	27.63
Unlisted				
Advantech Hungary Ltd.	13,941	30.00	15,060	30.00
Jan Hsiang Electronics Co., Ltd.	6,410	28.50	5,569	28.50
Advantech Corporation (Thailand) Co., Ltd.	<u>-</u>	-	6,787	30.00
	<u>\$ 380,121</u>		<u>\$ 378,268</u>	

In 2010, Advantech Co., Singapore Pte, Ltd. (ASG), a subsidiary of the Parent Company, increased its interest in Advantech Corporation (Thailand) Co., Ltd. (ATH) to 51%. As a result, ASG obtained a controlling influence over ATH, and the latter was included in the consolidation.

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, 2011 and 2010.

Changes in goodwill as of March 31, 2011 and 2010 were as follows:

	<u>Three Months Ended March 31</u>	
	2011	2010
Cost		
Balance, beginning of period	\$ 10,299	\$ 10,517
Amount derecognized on disposal of investments	<u>(101)</u>	<u>-</u>
Balance, end of period	<u>\$ 10,198</u>	<u>\$ 10,517</u>

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, 2011 and 2010 were \$734,627 thousand and \$592,416 thousand, respectively.

10. PROPERTIES

Accumulated depreciation were as follows:

	<u>Three Months Ended March 31</u>	
	2011	2010
Buildings	\$ 462,792	\$ 403,708
Machinery and equipment	560,024	505,981
Furniture and fixtures	256,145	226,455
Other equipment	<u>384,535</u>	<u>348,325</u>
	<u>\$ 1,663,496</u>	<u>\$ 1,484,469</u>

11. PROPERTIES LEASED TO OTHERS

	<u>Three Months Ended March 31</u>	
	2011	2010
Cost		
Buildings	\$ 27,783	\$ 19,548
Accumulated depreciation	<u>(9,494)</u>	<u>(6,177)</u>
	<u>\$ 18,289</u>	<u>\$ 13,371</u>

12. SHORT-TERM BANK LOANS

	Three Months Ended March 31	
	2011	2010
Credit loans - interest 0.89%-4.30% in 2011 and 1.306% in 2010	\$ 848,218	\$ 67,407
Secured loans - interest 2.07% in 2011	<u>5,000</u>	<u>-</u>
	<u>\$ 853,218</u>	<u>\$ 67,407</u>

To meet its financing need, the Parent Company obtained a bank credit loan. As of March 31, 2011, the loan carrying value was \$769,130 thousand.

To meet its financing need, ACA Digital Corporation, an indirect subsidiary of the Parent Company, obtained a bank credit loan. As of March 31, 2011, the loan carrying value was \$38,521 thousand.

To meet its financing need, DLoG GmbH, an indirect subsidiary of the Parent Company, obtained a bank credit loan. As of March 31, 2011, the loan carrying value was \$10,567 thousand.

To meet its financing need, Netstar Technology Co., Ltd., an indirect subsidiary of the Parent Company, obtained a bank credit loan. As of March 31, 2011, the loan carrying value was \$10,000 thousand.

To meet its financing need, Cermate Technologies Inc., an indirect subsidiary of the Parent Company, obtained credit and secured loans from a bank. As of March 31, 2011, the carrying values were \$25,000 thousand for the credit loan and \$5,000 for the secured loan. As of March 31, 2010, the credit loan carrying value was \$3,887 thousand.

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, 2010, the loan carrying value was \$63,520 thousand.

13. LONG-TERM BANK LOANS

	Current	Long-term	Total
<u>March 31, 2011</u>			
Mortgage loans	<u>\$ 2,500</u>	<u>\$ 18,973</u>	<u>\$ 21,473</u>
<u>March 31, 2010</u>			
Mortgage loans	<u>\$ 2,500</u>	<u>\$ 31,472</u>	<u>\$ 33,972</u>

Cermate Technologies Inc., an indirect subsidiary of the Parent Company, obtained a mortgage bank loan for the capital expenditure. This loan is repayable every one or three months at various amounts from March 2006 to March 2021. As of March 31, 2011 and 2010, the carrying values of the loan were \$21,473 thousand and \$33,972 thousand, respectively. Interest rates throughout the repayment period were 1.93% to 3.85%.

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. 1% 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.

For the three months ended March 31, 2011 and 2010, the bonus to employees and remunerations to directors and supervisors were estimated at \$13,000 thousand and \$59,517 thousand, respectively, (classified under accrued expenses) 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, cumulative transaction adjustments and net loss not recognized as pension cost) 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 appropriation of earnings for 2010 was proposed in the Board of Directors' meeting on March 23, 2011 and the appropriation of earnings for 2009 was approved in the shareholders' meeting held on May 18, 2010. The appropriations and dividends per share were as follows:

	Appropriation of Earnings		Dividends Per Share (Dollars)	
	2010	2009	2010	2009
Legal reserve	\$ 257,319	\$ 175,133		
Special reserve	551,526	-		
Cash dividends	1,755,718	2,006,535	\$3.5	\$4.0

The bonus to employees and the remuneration to directors and supervisors for 2010 proposed in the Board of Directors' meeting on March 23, 2011 and for 2009 approved in the shareholders' meetings on May 18, 2010, were as follows:

	Cash	
	Three Months Ended March 31 2010	2009
Bonus to employees	\$ 20,000	\$ 175,000
Remuneration to directors and supervisors	10,000	3,000

There is no significant difference between the approved amounts of the bonus to employees and the remuneration to directors and supervisors and the accrual amounts reflected in the financial statements.

On March 23, 2011, an issuance of common stock from capital surplus, which amounted to \$501,634 thousand, was proposed in the Board of Directors' meeting.

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

Qualified employees of the Company and its subsidiaries were granted stock options at 3,000 units in July 2010 and 10,000 units in December 2009. Each option entitles the holder to subscribe for one thousand common shares of the Company. Options issued in July 2010 and December 2009 are valid for 5 years. Both are exercisable at certain percentages after the second anniversary year from the grant date. The options were granted at an exercise price equal to the closing price of the Company's common shares listed on the grant date. For any subsequent changes in the Company's paid-in capital, the exercise price and the number of options are adjusted accordingly.

Information on employee stock options is as follows:

	Three Months Ended March 31			
	2011		2010	
	Number of Options (In Thousands)	Weighted- average Exercise Price (NT\$)	Number of Options (In Thousands)	Weighted- average Exercise Price (NT\$)
Balance, beginning of period	13,000	\$60.35	10,000	\$61.90
Options granted	-	-	-	-
Options exercised	-	-	-	-
Balance, end of period	<u>13,000</u>		<u>10,000</u>	
Options exercisable, end of period	<u>-</u>		<u>-</u>	
Weighted-average fair value of options granted (NT\$)	<u>\$16.45-\$20.25</u>		<u>\$16.45-\$18.13</u>	

Information on outstanding options as of March 31, 2011 and 2010 is as follows:

	March 31			
	2011		2010	
	Range of Exercise Price (NT\$)	Weighted- average Remaining Contractual Life (Years)	Range of Exercise Price (NT\$)	Weighted- average Remaining Contractual Life (Years)
Issuance in 2010	\$67.40	4.28	\$ -	-
Issuance in 2009	58.24	3.67	61.9	4.67

Options granted in 2010 were priced using the Black-Scholes model, and the inputs to the model were as follows:

Grant-date share price (NT\$)	67.4
Exercise price (NT\$)	67.4
Expected volatility	34.11%-35.15%
Expected life (years)	3.5-4.5
Expected dividend yield	0%
Risk-free interest rate	0.92%-1.10%

Options granted in 2009 were priced using the Black-Scholes model, and the inputs to the model were as follows:

Grant-date share price (NT\$)	61.9
Exercise price (NT\$)	61.9
Expected volatility	33.78%-35.22%
Expected life (years)	3.5-4.5
Expected dividend yield	0%
Risk-free interest rate	0.58%-0.79%

Expected volatility is based on the historical stock price volatility over the past 5 years.

Compensation costs recognized for the three months ended March 31, 2011 and 2010 were \$21,304 thousand and \$15,992 thousand, respectively.

15. TREASURY STOCK

(Shares in Thousands)

Purpose of Treasury Stock	Number of	Addition	Reduction	Number of
	Shares,			During the
	Beginning	Period	Period	End of
	of Period			Period
<u>Three months ended March 31, 2010</u>				
For transfer to employees	<u>14,500</u>	<u>-</u>	<u>-</u>	<u>14,500</u>

At their meeting on November 2, 2010, the board of directors approved the retirement of the Parent Company's treasury stock since this treasury stock had not been transferred for three years since the date of acquisition. The Parent Company completed the registration of this retirement with the Ministry of Economic Affairs.

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 the Parent Company's earnings per share (EPS) were as follows:

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

	Amount (Numerator)		Shares (Denominator) (Thousands)	Earnings Per Share	
	Pretax	After-tax		Pretax	After-tax
<u>Three months ended March 31, 2011</u>					
Basic EPS	\$ 1,057,930	\$ 900,659	501,634	<u>\$ 2.11</u>	<u>\$ 1.80</u>
Impact of dilutive potential common stock					
Bonuses to employees	<u>-</u>	<u>-</u>	<u>330</u>		
Diluted EPS	<u>\$ 1,057,930</u>	<u>\$ 900,659</u>	<u>501,964</u>	<u>\$ 2.11</u>	<u>\$ 1.79</u>
<u>Three months ended March 31, 2010</u>					
Basic EPS	\$ 570,004	\$ 501,644	501,634	<u>\$ 1.14</u>	<u>\$ 1.00</u>
Impact of dilutive potential common stock					
Bonuses to employees	<u>-</u>	<u>-</u>	<u>3,500</u>		
Diluted EPS	<u>\$ 570,004</u>	<u>\$ 501,644</u>	<u>505,134</u>	<u>\$ 1.13</u>	<u>\$ 0.99</u>

The amount of earnings per share increases when the employee's stock option is taken into consideration, which means that the employee's stock option works against the dilution effect. Therefore, the employee's stock option should not be considered when calculating the diluted earnings per share.

The ARDF issued Interpretation 2007-052 that 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. If the Parent Company may settle the bonus to employees by cash or shares, the Parent Company should presume that the entire amount of the bonus will be settled in shares and the resulting potential shares should be included in the weighted average number of shares outstanding used in the calculation of diluted EPS, if the shares have a dilutive effect. The number of shares is estimated by dividing the entire amount of the bonus by the closing price of the shares at the balance sheet date. Such dilutive effect of the potential shares should be included in the calculation of diluted EPS until the shareholders resolve the number of shares to be distributed to employees at their meeting in the following year.

17. RELATED-PARTY TRANSACTIONS

a. Related parties

Related Party	Relationship with the Group
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.) (SGA)	The Parent Company's chairman is SGA's board member; SGA was an equity-method investee of the Parent Company until December 2008
Advantech Corporation (Thailand) Co., Ltd. (ATH)	Equity-method investee of Advantech Co., Singapore Pte, Ltd., a 100% subsidiary of the Parent Company.
Avalue Technology Inc. ("Avalue")	The Parent Company's chairman is Avalue's director
K&M Investment Co., Ltd. (K&M)	The spouse of the Parent Company's chairman is K&M's director
Jan Hsiang Electronics Co., Ltd. ("Jan Hsiang")	Equity-method investee of Netstar, an indirect subsidiary of the Parent Company
AIDC Investment Corp. (AIDC)	AIDC's owner is a second-degree relative of the Parent Company's chairman

The Company's related parties, in addition to those listed above, were shown in Table 7.

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

	2011		2010	
	Amount	% to Total	Amount	% to Total
<u>For the three months ended March 31</u>				
Sales				
Avalue	\$ 68,131	1	\$ 5,302	-
Axiomtek	7,193	-	3,386	-
Jan Hsiang	15	-	-	-
ATH	-	-	5,716	-
	<u>\$ 75,339</u>	<u>1</u>	<u>\$ 14,404</u>	<u>-</u>

	2011		2010	
	Amount	% to Total	Amount	% to Total
Purchase of materials and supplies				
Jan Hsiang	\$ 5,071	-	\$ -	-
Axiomtek	<u>48</u>	<u>-</u>	<u>39</u>	<u>-</u>
	<u>\$ 5,119</u>	<u>-</u>	<u>\$ 39</u>	<u>-</u>
Operating expenses				
Rental expenses				
K&M	\$ 893	-	\$ -	-
AIDC	<u>873</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,766</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
Nonoperating income				
Other revenue				
AIDC	\$ 375	-	\$ 375	1
K&M	<u>125</u>	<u>-</u>	<u>125</u>	<u>-</u>
	<u>\$ 500</u>	<u>-</u>	<u>\$ 500</u>	<u>1</u>
<u>March 31</u>				
Accounts receivable - related parties				
Avalue	\$ 31,805	87	\$ 3,086	34
Axiomtek	4,480	12	1,937	21
AHG	396	1	-	-
ATH	<u>-</u>	<u>-</u>	<u>4,053</u>	<u>45</u>
	<u>\$ 36,681</u>	<u>100</u>	<u>\$ 9,076</u>	<u>100</u>
Payables to related parties (part of accounts payable)				
Jan Hsiang	\$ 2,280	-	\$ -	-
Axiomtek	<u>28</u>	<u>-</u>	<u>21</u>	<u>-</u>
	<u>\$ 2,308</u>	<u>-</u>	<u>\$ 21</u>	<u>-</u>

c. Securities transactions

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

As of March 31, 2011 and 2010, Cermate Technologies Inc., an indirect subsidiary of the Parent Company, had pledged assets for a letter of credit and long-term bank loans, as follows:

	<u>Three Months Ended March 31</u>	
	2011	2010
Restricted assets - current (reserve account)	\$ -	\$ 620
Properties - land	13,047	13,047
Properties - buildings - cost	<u>16,671</u>	<u>20,926</u>
	<u>\$ 29,718</u>	<u>\$ 34,593</u>

19. SIGNIFICANT COMMITMENTS AND CONTINGENCIES

a. As of March 31, 2011, the Parent Company had the following guarantees for affiliates' loans:

	Amount
AKMC	<u>\$ 311,640 thousand</u>
Advantech Fund - A	<u>\$ 300,000 thousand</u>
AiST	<u>\$ 200,000 thousand</u>
Advansus Corp.	<u>\$ 100,000 thousand</u>
ACA	<u>\$ 50,000 thousand</u>
Cermate	<u>\$ 40,000 thousand</u>

b. As of March 31, 2011, the guarantee notes issued by Cermate Technologies Co., Ltd. for its bank loan amounted to \$25,000 thousand.

20. FINANCIAL INSTRUMENTS

a. Fair values of financial instruments were as follows:

	<u>Three Months Ended March 31</u>			
	2011		2010	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<u>Nonderivative financial instruments</u>				
Assets				
Available-for-sale financial assets - current	\$ 15,110	\$ 15,110	\$ 12,804	\$ 12,804
Available-for-sale financial assets - noncurrent	2,358,266	2,358,266	2,698,857	2,698,857
Liabilities				
Long-term bank loans (including current portion)	21,473	21,473	33,972	33,972
<u>Derivative financial instruments location</u>				
Financial assets at fair value through profit or loss - current				
Domestic	6,150	6,150	4,545	4,545
Foreign (including foreign corporations operating locally)	35,435	35,435	10,403	10,403
Financial liabilities at fair value through profit or loss - current				
Domestic	7,879	7,879	256	256
Foreign (including foreign corporations operating locally)	59,225	59,225	828	828

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, guarantee deposits received, short-term bank loans, accounts payable, expense 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 either quoted market prices or estimates made through valuation techniques incorporating estimates and assumptions that are consistent with those prevailing in the market.

c. The financial assets and liabilities with fair values based on the quoted market prices or on estimates made through using certain valuation techniques were as follows:

	Based on the Quoted Market Price		Determined Using Valuation Techniques	
	March 31		March 31	
	2011	2010	2011	2010
<u>Asset</u>				
Financial assets at fair value through profit or loss - current	\$ -	\$ -	\$ 41,585	\$ 14,948
Available-for-sale financial assets - current	15,110	12,804	-	-
Available-for-sale financial assets - noncurrent	2,358,266	2,698,857	-	-
<u>Liabilities</u>				
Financial liabilities at fair value through profit or loss - current	-	-	67,104	1,084

d. As of March 31, 2011 and 2010, on financial instruments exposed to fair value risk from interest rate fluctuations, financial assets amounted to \$55,373 thousand and \$927,831 thousand, respectively; and financial liabilities amounted to \$874,691 thousand and \$101,379 thousand, respectively. As of March 31, 2011 and 2010, financial assets exposed to cash flow interest rate risk amounted to \$1,971,158 thousand and \$1,126,595 thousand, respectively.

e. The Parent Company recognized unrealized losses of \$301,249 thousand and \$290,304 thousand in shareholders' equity for the changes in fair value of available-for-sale financial assets for the three months ended March 31, 2011 and 2010, respectively. The Parent Company also recognized unrealized losses of \$12,484 thousand and \$485 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, 2011 and 2010, 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 against adverse 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 or third parties breach financial instrument 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, 2011, accumulated inward remittance of earnings as of March 31, 2011 and maximum allowable limit on investment: Please see Table 8 attached.
 - 2) Significant transaction with overseas subsidiary with direct or indirect investment in China: Notes 17 and 19 and Tables 1, 2, 5 and 6.
- c. Intercompany relationships and significant intercompany transactions: Please see Table 10 attached.

22. SEGMENT INFORMATION

- a. General information

Segment information is provided to the Company's chief operating decision maker for allocating resources to the segments and assessing their performance. The information puts emphasis on every type of products sold or services provided. The Group's segment information disclosed in accordance with Statement of Financial Accounting Standards No. 41 - "Operating Segments" is as follows:

- 1) Industrial automation services: Services cover various industries;
- 2) Embedded board and design-in services: Including services involving embedded boards, systems and peripheral hardware and software;
- 3) Intelligent services: Referring to integrated intelligent applications that can be used in various areas;
- 4) Design and manufacturing services: Customized design and services based on customers' requirements;
- 5) Global customer services: Global repair, technical support and warranty services.

b. Segment information

	March 31, 2011							
	Industrial Automation Services	Embedded Boards and Design-in Services	Intelligent Services	Design and Manufacturing Services	Global Customer Services	Other Segments	Reconciliation and Elimination	Total
Income								
From outside customers	\$ 1,130,029	\$ 1,807,014	\$ 622,561	\$ 1,772,050	\$ 780,091	\$ 101,523	\$ 283,485	\$ 6,496,753
Income from sales between segments	-	-	-	-	-	-	-	-
Interest income	-	-	-	-	-	-	1,665	1,665
Income total	<u>\$ 1,130,029</u>	<u>\$ 1,807,014</u>	<u>\$ 622,561</u>	<u>\$ 1,772,050</u>	<u>\$ 780,091</u>	<u>\$ 101,523</u>	<u>\$ 285,150</u>	<u>\$ 6,498,418</u>
Interest expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,704	\$ 1,704
Depreciation and amortization	-	-	-	-	-	-	120,624	120,624
Income from equity-method investments	-	-	-	-	-	-	14,194	14,194
Segmental profit or loss	<u>\$ 318,871</u>	<u>\$ 384,902</u>	<u>\$ 65,445</u>	<u>\$ 266,175</u>	<u>\$ 35,668</u>	<u>\$ 22,377</u>	<u>\$ 62,483</u>	<u>\$ 1,155,921</u>
Investments accounted for by the equity method	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 380,121	\$ 380,121
Capital expense from noncurrent assets	-	-	-	-	-	-	1,710,602	1,710,602
Segment assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,441,987</u>	<u>\$ 20,441,987</u>
	March 31, 2010							
	Industrial Automation Services	Embedded Boards and Design-in Services	Intelligent Services	Design and Manufacturing Services	Global Customer Services	Other Segments	Reconciliation and Elimination	Total
Income								
From outside customers	\$ 813,033	\$ 1,334,485	\$ 469,646	\$ 974,337	\$ 641,191	\$ 85,394	\$ 16,200	\$ 4,334,286
Income from sales between segments	-	-	-	-	-	-	-	-
Interest income	-	-	-	-	-	-	2,135	2,135
Income total	<u>\$ 813,033</u>	<u>\$ 1,334,485</u>	<u>\$ 469,646</u>	<u>\$ 974,337</u>	<u>\$ 641,191</u>	<u>\$ 85,394</u>	<u>\$ 18,355</u>	<u>\$ 4,336,421</u>
Interest expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 444	\$ 444
Depreciation and amortization	-	-	-	-	-	-	89,325	89,325
Income from equity-method investments	-	-	-	-	-	-	8,737	8,737
Segmental profit or loss	<u>\$ 233,477</u>	<u>\$ 274,290</u>	<u>\$ 21,077</u>	<u>\$ 98,009</u>	<u>\$ 48,573</u>	<u>\$ (58,119)</u>	<u>\$ (11,025)</u>	<u>\$ 606,282</u>
Investments accounted for by the equity method	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 378,268	\$ 378,268
Capital expense from noncurrent assets	-	-	-	-	-	-	721,360	651,029
Segment assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,244,801</u>	<u>\$ 17,244,801</u>

The income above was generated from transactions with external customers. There were no sales between segments in the three months ended March 31, 2011 and 2010.

Segment income refers to the profits made, excluding net investment gains accounted for by the equity method, stock dividends, gains from disposal of investments, net foreign exchange gains, other income, interest expense, impairment losses and other expenses. The above information above is provided to the Parent Company's chief operating decision maker for allocating resources to the segments and assessing their performance.

23. OTHER

Information on the Group's foreign currency-denominated financial assets and liabilities with significant effect on the financial statements is as follows:

	March 31					
	2011			2010		
	Foreign Currencies	Exchange Rate	New Taiwan Dollars	Foreign Currencies	Exchange Rate	New Taiwan Dollars
<u>Financial assets</u>						
Monetary items						
USD	\$ 198,918	29.40	\$ 5,848,189	\$ 131,695	31.76	\$ 4,182,633
RMB	277,704	4.511	1,252,723	185,008	4.65	860,842
EUR	5,853	41.71	244,129	3,498	42.72	149,435
KRW	6,761,484	0.027	182,560	5,723,295	0.028	160,252
JPY	437,282	0.355	155,235	371,388	0.341	126,643
AUD	2,664	30.38	80,932	3,288	29.11	95,714
SGD	2,568	23.340	59,937	2,342	22.72	53,210
BRL	2,499	17.942	44,837	1,625	17.76	28,862
GBP	699	47.46	33,175	-	-	-
THB	33,247	0.980	32,591	10,783	0.977	10,535
MYR	2,720	9.753	26,528	3,653	9.742	35,588
Nonmonetary items						
USD	1,414	29.40	41,572	471	31.76	14,959
KRW	532,140	0.027	14,368	2,505,263	0.028	70,147
Investments accounted for by the equity method						
USD	474	29.40	13,941	474	31.76	15,060
<u>Financial liabilities</u>						
Monetary items						
USD	54,098	29.40	1,590,481	30,704	31.76	975,159
RMB	134,049	4.511	604,695	119,242	4.65	554,833
EUR	2,300	41.71	95,933	3,158	42.72	134,910
KRW	675,519	0.027	18,239	1,643,579	0.028	46,020
JPY	55,708	0.355	19,776	48,360	0.341	16,491
AUD	-	-	-	364	29.11	10,596
SGD	-	-	-	568	22.72	12,905
BRL	678	17.942	12,165	-	-	-
Nonmonetary items						
USD	2,388	29.4	70,207	-	-	-

ADVANTECH CO., LTD. AND SUBSIDIARIES

FINANCING PROVIDED
THREE MONTHS ENDED MARCH 31, 2011
(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	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		
1	AEUH	AEU	Other receivable - related parties	\$ 40,042 (EUR 960 thousand)	\$ 40,042 (EUR 960 thousand)	4.0%	Short-term financing	\$ -	Financing need	\$ -	-	-	\$ 1,426,865 (Note B)	\$ 2,853,730 (Note B)
2	ANA	AEU	Other receivable - related parties	29,400 (US\$ 1,000 thousand)	29,400 (US\$ 1,000 thousand)	2.0%	Short-term financing	-	Financing need	-	-	-	1,426,865 (Note B)	2,853,730 (Note B)
		AKMC	Other receivable - related parties	170,520 (US\$ 5,800 thousand)	170,520 (US\$ 5,800 thousand)	2.0%	Short-term financing	-	Financing need	-	-	-	1,426,865 (Note B)	2,853,730 (Note B)
3	AiSC	ACN	Other receivable - related parties	178,527 (RMB 39,576 thousand)	113,312 (RMB 25,119 thousand)	2.0%	Short-term financing	-	Financing need	-	-	-	135,330 (Note C)	135,330 (Note C)
4	Netstar Technology Co., Ltd.	LANSONIC (B.V.I)	Other receivable - related parties	3,676	3,676	-	Short-term financing	-	Financing need	-	-	-	37,899 (Note D)	37,899 (Note D)
5	Broadwin Technology Inc.	Netstar Technology Co., Ltd.	Other receivable - related parties	20,000	17,000	2.0%	Short-term financing	-	Financing need	-	-	-	31,906 (Note D)	31,906 (Note D)
6	Advantech Fund-A	Netstar Technology Co., Ltd.	Other receivable - related parties	12,000	12,000	2.0%	Short-term financing	-	Financing need	-	-	-	348,893 (Note D)	348,893 (Note D)
		Advantech Co., Ltd. (the "Company")	Other receivable - related parties	200,000	200,000	1.2%	Short-term financing	-	Financing need	-	-	-	348,893 (Note D)	348,893 (Note D)
		ACA	Other receivable - related parties	20,000	8,200	1.2%	Short-term financing	-	Financing need	-	-	-	348,893 (Note D)	348,893 (Note D)

Notes: A. The exchange rate was EUR1=NT\$41.71; US\$1=NT\$29.40; RMB1=NT\$4.511.

B. The maximum amount of financing and the maximum amount of financing to individual counter-party that can be provided by the financier are 20% and 10% of the parent company's net asset value, respectively.

C. 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 will be handled over the Citibank account of ACN.

D. 40% of the net asset value of the financier.

E. All the transactions above have been eliminated from the consolidation.

ADVANTECH CO., LTD. AND SUBSIDIARIES

ENDORSEMENT/GUARANTEE PROVIDED

THREE MONTHS ENDED MARCH 31, 2011

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorsement/Guarantee Provider	Counter-party		Limits on Each Counter-party's Endorsement/Guarantee Amounts	Maximum Balance for the Year	Ending Balance	Value of Collaterals Property, Plant, and Equipment	Ratio of Accumulated Amount of Collateral to Net Equity of the Latest Financial Statements (%)	Maximum Collateral/Guarantee Amounts Allowable
		Name	Nature of Relationship						
0	Advantech Co., Ltd. (the "Company")	AKMC	Indirect subsidiary	\$ 1,426,865 (Note A)	\$ 311,640 (US\$ 10,600 thousand)	\$ 311,640 (US\$ 10,600 thousand)	\$ -	2.18%	\$ 4,280,594 (Note B)
		AiST	Equity-method investee	1,426,865 (Note A)	200,000	200,000	-	1.40%	4,280,594 (Note B)
		Advansus Corp.	Equity-method investee	1,426,865 (Note A)	100,000	100,000	-	0.70%	4,280,594 (Note B)
		Cermate Technologies Inc.	Equity-method investee	1,426,865 (Note A)	40,000	40,000	-	0.28%	4,280,594 (Note B)
		Advantech Fund-A	Equity-method investee	1,426,865 (Note A)	300,000	300,000	-	2.10%	4,280,594 (Note B)
		ACA	Equity-method investee	1,426,865 (Note A)	50,000	50,000	-	0.35%	4,280,594 (Note B)

Note: A. 10% of the Company's net asset value.

B. 30% of the Company's net asset value.

C. The exchange rate was US\$1.00=NT\$29.40.

D. All the transactions above have been eliminated from the consolidation.

ADVANTECH CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES AND LONG-TERM INVESTMENTS

MARCH 31, 2011

(In Thousands of New Taiwan Dollars/ Foreign Currency)

Company Holding the Securities	Securities Type and Issuer	Relationship with the Holding Company	Financial Statement Account	March 31, 2011				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	\$ 2,146,267	100.00	\$ 2,147,478	Note A	
	ATC	"	"	38,750,000	2,362,289	100.00	2,367,213	Note A	
	Advansus Corp.	"	"	18,000,000	246,045	50.00	253,794	Note A	
	Advantech Fund-A	"	"	90,000,000	868,896	100.00	872,233	Note A	
	Axiomtek	"	"	21,109,984	359,770	27.29	359,770	Note A	
	AEUH	"	"	9,572,024	953,014	100.00	953,014	Note A	
	ASG	"	"	1,450,000	86,305	100.00	86,305	Note A	
	AAU	"	"	500,204	75,578	100.00	75,578	Note A	
	AJP	"	"	1,200	161,129	100.00	161,129	Note A	
	AYS	"	"	12,300,000	20,923	100.00	20,923	Note A	
	AMY	"	"	2,000,000	35,615	100.00	35,615	Note A	
	AHG	"	"	30	13,941	30.00	13,941	Note A	
	ABR	"	"	971,055	22,737	43.28	22,737	Note A	
	AKR	"	"	600,000	114,399	100.00	114,399	-	
	AiST	"	"	5,000,000	63,949	100.00	63,949	-	
	ACA	"	"	30,378,900	89,236	98.59	89,236	Note A	
	AHK	"	"	Other liability - others	999,999	(5,721)	100.00	(5,721)	Notes A and C
	ASUSTek Computer Inc.	-	-	Available for sale financial assets - noncurrent	6,315,460	1,607,285	1.02	1,607,285	Note B
	SGA	-	-	"	1,357,500	14,362	3.45	14,362	Note B
Chunghwa Telecom Co., Ltd.	-	-	"	1,243,636	113,917	-	113,917	Note B	
Pegatron Corp.	-	-	"	18,486,570	616,527	-	616,527	Note B	
Advantech Fund-A	<u>Stock</u>								
	Netstar Technology Co., Ltd.	Investee	Long-term equity investments	21,126,885	181,585	84.51	181,585	Note A	
	BCM Embedded Computer Inc.	"	"	4,500,000	16,973	100.00	16,973	Note A	
	Broadwin Technology Inc.	"	"	6,777,571	154,984	100.00	154,984	Note A	
	Cermate Technologies Inc.	"	"	5,500,000	77,035	55.00	77,035	Note A	
	Avalue Technology Inc.	-	-	Financial assets carried at cost - noncurrent	136,759	6,175	0.31	6,175	Note B
	Chunghwa Telecom Co., Ltd.	-	-	Available for sale financial assets- current	164,952	15,110	-	15,110	Note B
	AverMedia Information Inc.	-	-	Financial assets carried at cost - noncurrent	770,000	70,331	0.93	70,331	-
COBAN Research and Technologies, Inc.	-	-	"	600,000	33,257	6.85	33,257	-	

(Continued)

Company Holding the Securities	Securities Type and Issuer	Relationship with the Holding Company	Financial Statement Account	March 31, 2011				Note
				Shares	Carrying Value	Percentage of Ownership	Market Value or Net Asset Value	
ATC	<u>Stock</u> ATC (HK)	Investee	Long-term equity investments	41,650,001	\$ 1,621,379	100.00	\$ 1,621,379	Note A
ATC (HK)	<u>Stock</u> AKMC	Investee	Long-term equity investments	-	1,621,608	100.00	1,621,608	Note A
AAC (BVI)	<u>Stock</u> ANA	Investee	Long-term equity investments	10,952,606	1,106,205	100.00	1,106,205	Note A
	AAC (HK)	"	"	15,230,001	1,037,469	100.00	1,037,469	Note A
ANA	<u>Stock</u> ABR	-	Financial assets carried at cost - noncurrent	375,192	5,654	16.72	5,654	-
AAC (HK)	<u>Stock</u> ACN	Investee	Long-term equity investments	-	547,160	100.00	547,160	Note A
	SHHQ	"	"	-	87,440	100.00	87,440	Note A
	AiSC	"	"	-	400,968	100.00	400,968	Note A
	AXA	"	"	-	1,094	100.00	1,094	Note A
ACN	<u>Stock</u> Hangzhou Advantofine Automation Co., Ltd.	"	"	-	14,887	60.00	14,887	Note A
AEUH	<u>Stock</u> AEU	"	"	8,314,280	96,669	100.00	96,669	Note A
	APL	"	"	6,530	36,269	92.89	36,269	Note A
	DLoG	"	"	1	598,055	100.00	598,055	Note A
AEU	<u>Stock</u> Innocore	"	"	251,111	163,280	100.00	163,280	Note A
Innocore	<u>Stock</u> IGL	"	"	501,000	41,568	100.00	41,568	Note A
ASG	<u>Stock</u> ATH	"	"	51,000	15,295	51.00	15,295	Note A
Netstar Technology Co., Ltd.	<u>Stock</u> LANSONIC (B.V.I)	"	"	3,527,529	2,738	94.83	2,738	Note A
	Jan Hsiang Electronics Co., Ltd.	"	Long-term equity investments	570,000	6,410	28.50	6,410	Note A
Broadwin Technology Inc.	<u>Stock</u> Broadwin Technology Inc.	"	Long-term equity investments	5,643,650	14,197	100.00	14,197	Note A
Cermate Technologies Inc.	<u>Stock</u> Land Mark	"	Long-term equity investments	972,284	35,979	100.00	35,979	Note A

(Continued)

Company Holding the Securities	Securities Type and Issuer	Relationship with the Holding Company	Financial Statement Account	March 31, 2011				Note
				Shares	Carrying Value	Percentage of Ownership	Market Value or Net Asset Value	
Land Mark	<u>Stock</u>							
	Cermate (Shanghai)	"	Long-term equity investments	-	\$ 20,704	100.00	\$ 20,704	Note A
	Cermate (Shenzhen)	"	"	-	16,167	90.00	16,167	Note A

Note A: The financial statements used as basis of net asset values were not reviewed by CPA.

Note B: Market value was based on the closing price on March 31, 2011.

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

(Concluded)

ADVANTECH CO., LTD. AND SUBSIDIARIES

ACQUISITION OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
 THREE MONTHS ENDED MARCH 31, 2011
 (In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Company Name	Type of Property	Transaction Date	Transaction Amount	Payment Term	Counter-party	Nature of Relationship	Prior Transaction made by Related Counter-party				Price Reference	Purpose of Acquisition	Other Terms
							Owner	Relationship	Transfer Date	Amount			
Advantech Co., Ltd. (the "Company")	Real estate	2011.01	\$ 1,511,941	Paid in full by contract requirements	Tung Ho Steel Enterprise Corporation	None	-	-	-	\$ -	Real estate appraisal	For the Company's expansion need	None

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, 2011
(In Thousands of New Taiwan Dollars/ Foreign Currency)

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. (the "Company")	AEU	Indirect subsidiary	Sale	\$ (564,393)	12.83	Set for 45 days a month	Contract price	No significant difference from terms for related parties	\$ 833,498	25.84	
	ACN	Indirect subsidiary	Sale	(517,111)	11.76	Set for 45 days a month	Contract price	No significant difference from terms for related parties	383,860	11.90	
	AiSC	Indirect subsidiary	Sale	(426,086)	9.69	Set for 45 days a month	Contract price	No significant difference from terms for related parties	405,256	12.57	
	ANA	Indirect subsidiary	Sale	(1,197,268)	27.23	Set for 45 days a month	Contract price	No significant difference from terms for related parties	456,047	14.14	
	ATC	Subsidiary	Purchase	1,475,110	44.47	Set for 60 days a month	Contract price	No significant difference from terms for related parties	(1,136,300)	34.25	
	Advansus Corp.	Subsidiary	Purchase	325,244	9.80	Set for 30 days a month	Contract price	No significant difference from terms for related parties	(111,306)	3.36	
ATC	Advantech Co., Ltd. (the "Company")	Ultimate parent company	Sale	(1,475,110)	100.00	Set for 60 days a month	Contract price	No significant difference from terms for related parties	1,136,300	77.03	
Advansus Corp.	Advantech Co., Ltd. (the "Company")	Ultimate parent company	Sale	(325,244)	89.03	Set for 30 days a month	Contract price	No significant difference from terms for related parties	111,306	51.83	
ANA	Advantech Co., Ltd. (the "Company")	Ultimate parent company	Purchase	1,197,268	81.47	Set for 45 days a month	Contract price	No significant difference from terms for related parties	(456,047)	77.48	
AEU	Advantech Co., Ltd. (the "Company")	Ultimate parent company	Purchase	564,393	83.37	Set for 45 days a month	Contract price	No significant difference from terms for related parties	(833,498)	96.82	
ACN	Advantech Co., Ltd. (the "Company")	Ultimate parent company	Purchase	517,111	73.73	Set for 45 days a month	Contract price	No significant difference from terms for related parties	(383,860)	61.68	
AiSC	Advantech Co., Ltd. (the "Company")	Ultimate parent company	Purchase	426,086	71.51	Set for 45 days a month	Contract price	No significant difference from terms for related parties	(405,256)	80.22	
AKMC	ATC	Related enterprise	Sale	(1,407,265)	100.00	Set for 30 days after a month	Mark-up pricing	No significant difference from terms for related parties	409,119	85.35	
Advansus Corp.	AKMC	Related enterprise	Sale	(100,547)	27.52	Set for 30 days after a month	Mark-up pricing	No significant difference from terms for related parties	54,316	25.29	
ATC	AKMC	Related enterprise	Purchase	1,407,265	98.45	Set for 30 days after a month	Mark-up pricing	No significant difference from terms for related parties	(409,119)	38.43	
AKMC	Advansus Corp.	Related enterprise	Purchase	100,547	6.96	Set for 30 days after a month	Mark-up pricing	No significant difference from terms for related parties	(54,316)	5.08	

Note: All the transactions above have been eliminated from the 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, 2011

(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.	AEU	Indirect subsidiary	\$ 833,498	3.01	\$ -	-	\$ 157,588	\$ -
	ANA	Indirect subsidiary	456,047	9.66	-	-	298,539	-
	ACN	Indirect subsidiary	383,360	5.89	-	-	-	-
	AiSC	Indirect subsidiary	405,256	5.39	-	-	-	-
ATC	Advantech Co., Ltd.	Parent company	1,136,300	5.56	-	-	497,767	-
Advansus Corp.	Advantech Co., Ltd.	Parent company	111,306	10.42	-	-	111,306	-
AKMC	ATC	Related enterprise	409,119	17.70	-	-	409,119	-

Note: All the transactions above have been eliminated from the consolidation.

ADVANTECH CO., LTD. AND SUBSIDIARIES

NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTEEES ON WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE
THREE MONTHS ENDED MARCH 31, 2011
(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of March 31, 2011			Net Income (Loss) of the Investee	Investment Gain (Loss) (Note B)	Note
				March 31, 2011	December 31, 2010	Shares	Percentage of Ownership	Carrying Value			
Advantech Co., Ltd. (the "Company")	AAC (BVI)	BVI	Investment holding company	\$ 1,078,934	\$ 1,078,934	32,606,500	100.00	\$ 2,146,267	\$ 107,689	\$ 108,546	Subsidiary
	ATC	BVI	Sale of industrial automation products	1,231,118	1,231,118	38,750,000	100.00	2,362,289	(51,510)	(48,955)	Subsidiary
	Advansus Corp.	Taipei, Taiwan	Production and sale of industrial automation products	180,000	180,000	18,000,000	50.00	246,045	11,944	4,980	Equity-method investee
	AEUH	Helmond, The Netherlands	Investment holding company	1,146,489	1,146,489	9,572,024	100.00	953,014	48,560	48,560	Subsidiary
	Advantech Fund-A	Taipei, Taiwan	Investment and management service	900,000	900,000	90,000,000	100.00	868,896	6,155	6,285	Subsidiary
	Axiomtek	Taipei, Taiwan	Production and sale of industrial automation products	258,072	261,681	21,109,984	27.29	359,770	50,696	13,874	Equity-method investee
	ASG	Techplace, Singapore	Sale of industrial automation products	27,134	27,134	1,450,000	100.00	86,305	3,370	3,370	Subsidiary
	AAU	Sydney, Australia	Sale of industrial automation products	40,600	40,600	500,204	100.00	75,578	2,060	2,060	Subsidiary
	AJP	Tokyo, Japan	Sale of industrial automation products	15,472	15,472	1,200	100.00	161,129	8,449	8,449	Subsidiary
	AYS	Cayman Islands	Sale of industrial automation products	5,927	5,927	12,300,000	100.00	20,923	-	-	Subsidiary
	AMY	Malaysia	Sale of industrial automation products	35,140	35,140	2,000,000	100.00	35,615	1,153	1,153	Subsidiary
	AHG	Budapest, Hungary	Sale of industrial automation products	5,215	5,215	30	30.00	13,941	-	-	Equity-method investee
	AKR	Seoul, Korea	Sale of industrial automation products	73,355	73,355	600,000	100.00	114,399	13,682	13,682	Subsidiary
	ABR	Sao Paulo, Brazil	Sale of industrial automation products	-	-	971,055	43.28	22,737	5,251	3,151	Subsidiary
	AiST	Taipei, Taiwan	Sale of industrial automation products	50,000	50,000	5,000,000	100.00	63,949	12,262	12,262	Subsidiary
	AHK	Mongkok, Hong Kong	Sale of industrial automation products	4,393	4,393	999,999	100.00	(5,721)	46	46	Subsidiary (Note A)
ACA	Taipei, Taiwan	Production and sale of portable industrial computing products	91,650	-	30,378,900	98.59	89,236	(2,448)	(2,414)	Subsidiary	
Advantech Fund-A	Netstar Technology Co., Ltd.	Taipei, Taiwan	Production and sale of industrial automation products	258,240	245,068	21,126,885	84.51	181,585	(12,986)	(10,920)	Indirect subsidiary
	BCM Embedded Computer Inc.	Taipei, Taiwan	Telecommunications equipment and electronic parts manufacturing	45,500	45,500	4,500,000	100.00	16,973	577	577	Indirect subsidiary
	Broadwin Technology Inc. Cermate Technologies Inc.	Taipei, Taiwan Taipei, Taiwan	Assembly and production of computers	172,063 71,500	172,063 71,500	6,777,571 5,500,000	100.00 55.00	154,984 77,035	1,905 2,462	1,905 1,354	Indirect subsidiary Indirect subsidiary
ATC	ATC (HK)	Hong Kong	Investment holding company	1,212,730	1,212,730	41,650,001	100.00	1,621,379	(10,217)	(10,217)	Indirect subsidiary
ATC (HK)	AKMC	Guangzhou, China	Production and sale of industrial automation products	1,212,730	1,212,730	-	100.00	1,621,608	(10,217)	(10,217)	Indirect subsidiary
AAC (BVI)	ANA	Sunnyvale, USA	Sale and fabrication of industrial automation products	504,179	504,179	10,952,606	100.00	1,106,205	39,638	39,638	Indirect subsidiary
	AAC (HK)	Hong Kong	Investment holding company	539,146	539,146	15,230,001	100.00	1,037,469	68,104	68,104	Indirect subsidiary
AAC (HK)	ACN	Beijing, China	Sale and fabrication of industrial automation products	185,356	185,356	-	100.00	547,160	32,766	32,766	Indirect subsidiary
	SHHQ	Shanghai, China	Sale and fabrication of industrial automation products	96,750	96,750	-	100.00	87,440	10	10	Indirect subsidiary
	AiSC	Shanghai, China	Sale and fabrication of industrial automation products	257,040	257,040	-	100.00	400,968	42,409	42,409	Indirect subsidiary
	AXA	Xi'an, China	Development and production of software products	32,960	32,960	-	100.00	1,094	(7,081)	(7,081)	Indirect subsidiary
ACN	Hangzhou Advantofine Automation Co., Ltd.	Hangzhou, China	Processes and sale of peripherals	13,727	13,727	-	60.00	14,887	231	139	Indirect subsidiary
AEUH	AEU	Eindhoven, The Netherlands	Sale and fabrication of industrial automation products	256,473	256,473	8,314,280	100.00	96,669	12,049	12,049	Indirect subsidiary
	APL	Warsaw, Poland	Sale and fabrication of industrial automation products	10,285	10,285	6,530	92.89	36,269	781	725	Indirect subsidiary
	DLoG	Munich, Germany	Design, R&D and sale of industrial automation vehicles and related products	553,536	553,536	1	100.00	598,055	40,426	33,295	Indirect subsidiary
AEU	Innocore	England	Design, R&D and sale of gaming computing products	166,023	166,023	251,111	100.00	163,280	5,912	2,523	Indirect subsidiary
Innocore	IGL	England	Design, R&D and sale of gaming computing products	33,914	33,914	501,000	100.00	41,568	5,912	5,912	Indirect subsidiary
ASG	ATH	Thailand	Production of computers	7,537	7,537	51,000	51.00	15,295	2,901	1,479	Indirect subsidiary

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of March 31, 2011			Net Income (Loss) of the Investee	Investment Gain (Loss) (Note B)	Note
				March 31, 2011	December 31, 2010	Shares	Percentage of Ownership	Carrying Value			
Netstar Technology Co., Ltd.	Jan Hsiang Electronics Co., Ltd. LANSONIC (B.V.I.)	Taipei, Taiwan BVI	Electronic parts and components manufacturing General investment	\$ 3,719	\$ 3,719	570,000	28.50	\$ 6,410	\$ 1,034	\$ 320	Indirect subsidiary
				101,188	101,188	3,527,529	94.83	2,738	-	-	Indirect subsidiary
Broadwin Technology Inc.	Broadwin Technology Inc.	San Ramon, USA	Sale of Webaccess software	69,492	69,492	5,643,650	100.00	14,197	(65)	(65)	Indirect subsidiary
Cermate Technologies Inc.	LandMark	BVI	General investment	28,200	28,200	972,284	100.00	35,979	1,406	1,406	Indirect subsidiary
LandMark	Cermate (Shanghai) Cermate (Shenzhen)	Shanghai, China Shenzhen, China	Sale of industrial electronic products Manufacture of LCD touch panel, USB data cable and industrial automation products	US\$ 572	US\$ 572	-	100.00	20,704	610	610	Indirect subsidiary
				US\$ 308	US\$ 308	-	90.00	16,167	669	669	Indirect subsidiary

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

Note B: The financial statements used as basis of net asset values were not reviewed by CPA.

(Concluded)

ADVANTECH CO., LTD. AND SUBSIDIARIES

INVESTMENTS IN MAINLAND CHINA

THREE MONTHS ENDED MARCH 31, 2011

(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 January 1, 2011	Investment Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2011	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note A)	Carrying Value as of March 31, 2011	Accumulated Inward Remittance of Earnings as of March 31, 2011
					Outflow	Inflow					
Advantech Technology (China) Company Ltd. (AKMC)	Production and sale of components of industrial automation products	US\$41,650 thousand	Indirect	\$ 1,096,620 (US\$ 37,300 thousand)	\$ -	\$ -	\$ 1,096,620 (US\$ 37,300 thousand)	100%	\$ (10,217)	\$ 1,621,608	\$ -
Yan Hua Xing Ye Electronic (SHHQ)	Sale of industrial automation products	US\$3,000 thousand	Indirect	88,200 (US\$ 3,000 thousand)	-	-	88,200 (US\$ 3,000 thousand)	100%	10	87,440	-
Beijing Yan Hua Xing Ye Electronic Science & Technology Co., Ltd. (ACN)	Sale of industrial automation products	US\$4,230 thousand	Indirect	156,761 (US\$ 5,332 thousand)	-	-	156,761 (US\$ 5,332 thousand)	100%	32,766	547,160	330,309 (US\$ 11,235 thousand)
Shanghai Advantech Intelligent Services Co., Ltd. (AiSC)	Production and sale of industrial automation products	US\$8,000 thousand	Indirect	235,200 (US\$ 8,000 thousand)	-	-	235,200 (US\$ 8,000 thousand)	100%	42,409	400,968	-
Xi'an Advantech Software Ltd. (AXA)	Development and production of software products	US\$1,000 thousand	Indirect	(Note C)	-	-	(Note C)	100%	(7,081)	1,094	-

Accumulated Investment in Mainland China as of March 31, 2011	Investment Amounts Authorized by Investment Commission, MOEA	Maximum Allowable Limit on Investment
\$1,582,661 (US\$53,832 thousand) (Note D)	\$2,587,200 (US\$88,000 thousand)	\$8,617,517 (Note F)

Note A: The financial statements used as basis of net asset values were not reviewed by CPA.

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: Remittance by Advantech Automation Corp. (H.K.) Limited.

(Continued)

Note D: 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 E: The exchange rate was US\$1.00=NT\$29.40.

Note F: The upper limit on investment was based on 60% of the consolidated net asset value of Advantech Co., Ltd. (the “Company”).

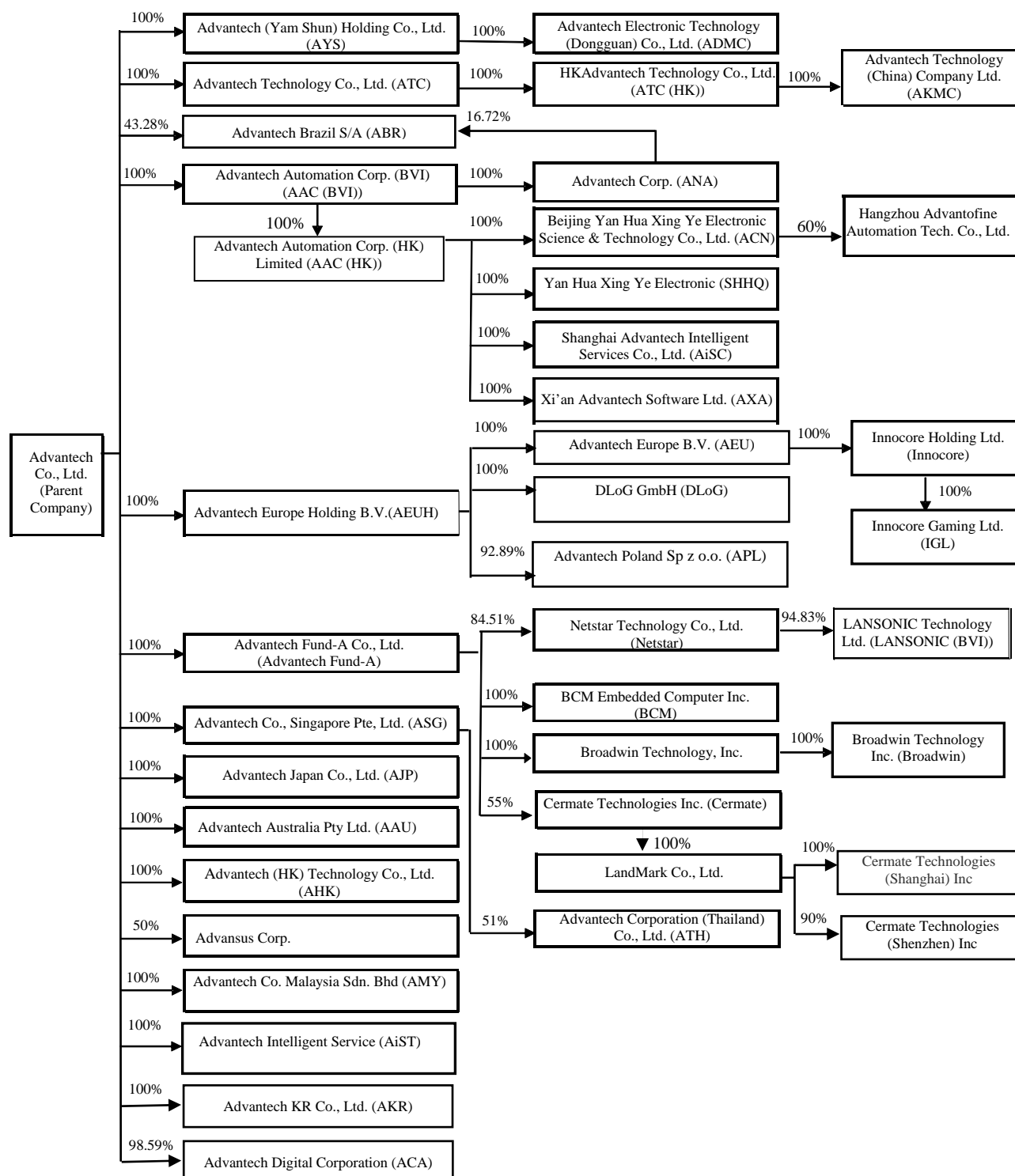
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TABLE 9

ADVANTECH CO., LTD. AND SUBSIDIARIES

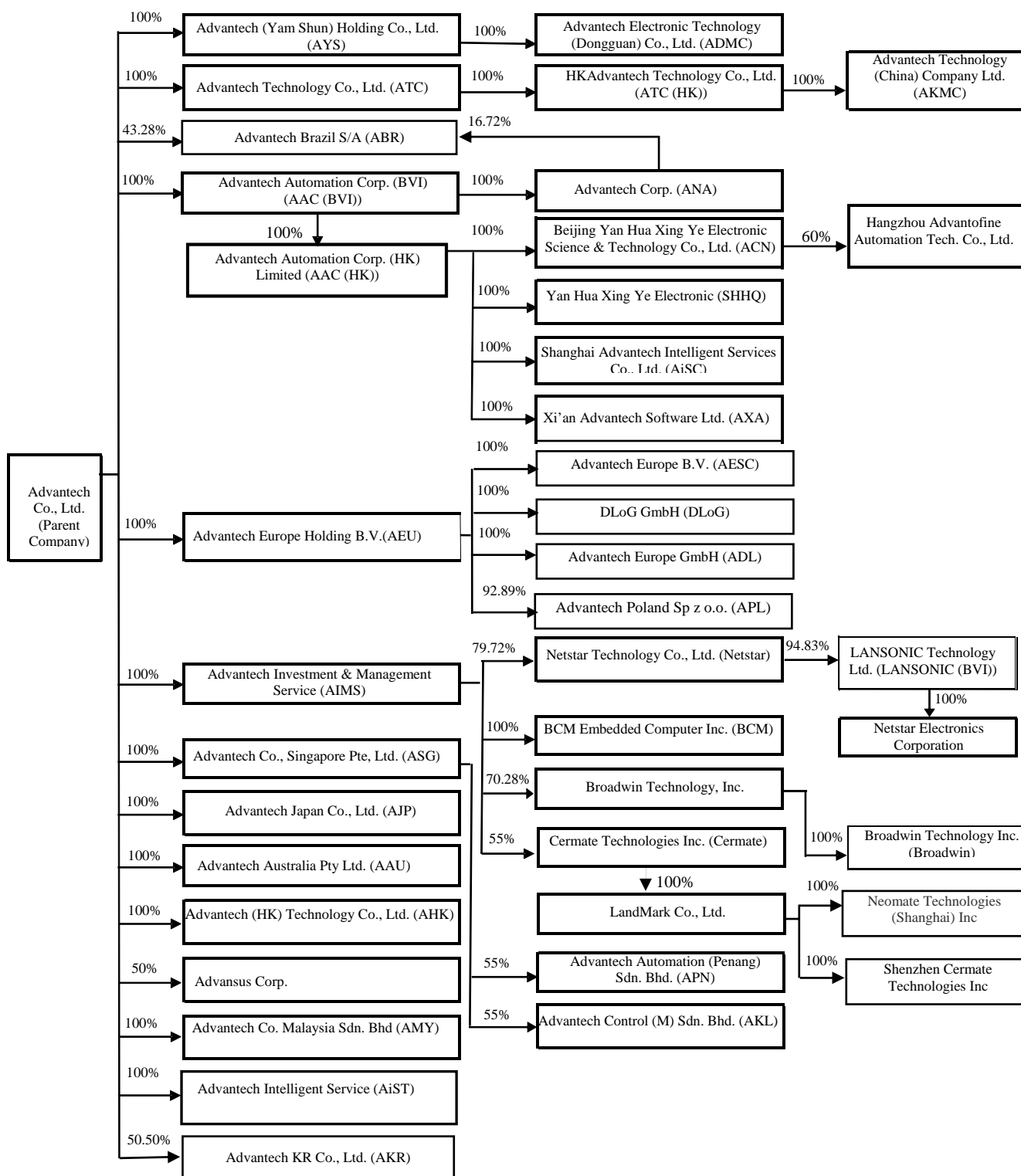
**ORGANIZATION CHART
MARCH 31, 2011 AND 2010**

Intercompany relationships and percentages of ownership as of March 31, 2011 are shown below:



Note: Advansus Corp. was consolidated using the proportionate consolidation method.

Intercompany relationships and percentages of ownership as of March 31, 2010 are shown below:



Note: Advansus Corp. was consolidated using the proportionate consolidation method.

ADVANTECH CO., LTD. AND SUBSIDIARIES

SIGNIFICANT TRANSACTIONS BETWEEN ADVANTECH CO., LTD. AND SUBSIDIARIES
THREE MONTHS ENDED MARCH 31, 2011 AND 2010
(In Thousands of New Taiwan Dollars)

March 31, 2011

Number (Note A)	Company Name	Counter Party	Flow of Transaction (Note B)	Transaction Details			% to Consolidated Assets/Revenue (Note C)
				Financial Statement Account	Amount	Payment Terms	
0	Advantech Co., Ltd.	AEU	1	Sales	\$ 564,393	Normal	9%
		AEU	1	Receivables from related parties	837,106	30 days	4%
		AEU	1	Purchase	370	Normal	-
		AEU	1	Payables to related parties	1,041	30 days	-
		AEU	1	Other revenue	1,705	Normal	-
		ACN	1	Sales	517,111	Normal	8%
		ACN	1	Receivables from related parties	387,030	45 days	2%
		ACN	1	Purchase	2,690	Normal	-
		ACN	1	Payables to related parties	1,924	30 days	-
		ACN	1	Other revenue	5,766	Normal	-
		ATC	1	Purchase	1,475,110	Normal	23%
		ATC	1	Payables to related parties	1,136,300	60 days	6%
		ATC	1	Royalty income	73,684	Normal	1%
		AKMC	1	Sales	84,693	Normal	1%
		AKMC	1	Receivables from related parties	-11,206	45 days	-
		AAU	1	Sales	35,819	Normal	1%
		AAU	1	Receivables from related parties	17,328	60-90 days	-
		AAU	1	Purchase	22	Normal	-
		AAU	1	Payables to related parties	22	60-90 days	-
		AAU	1	Other revenue	386	Normal	-
		ASG	1	Sales	19,111	Normal	-
		ASG	1	Receivables from related parties	17,345	60-90 days	-
		ASG	1	Payables to related parties	151	60-90 days	-
		ASG	1	Other revenue	323	Normal	-
		AJP	1	Sales	90,581	Normal	1%
		AJP	1	Receivables from related parties	45,036	60-90 days	-
		AJP	1	Payables to related parties	355	60-90 days	-
		AJP	1	Purchase	0	Normal	-
		AJP	1	Other revenue	3,849	Normal	-
		Advansus Corp.	1	Sales	4,767	Normal	-
		Advansus Corp.	1	Receivables from related parties	3,713	60-90 days	-
		Advansus Corp.	1	Purchase	325,244	Normal	5%
		Advansus Corp.	1	Payables to related parties	111,306	60-90 days	1%
Advansus Corp.	1	Rental revenue	1,755	Normal	-		
Advansus Corp.	1	Other revenue	4,596	Normal	-		

(Continued)

Number (Note A)	Company Name	Counter Party	Flow of Transaction (Note B)	Transaction Details			% to Consolidated Assets/Revenue (Note C)
				Financial Statement Account	Amount	Payment Terms	
		BCM Embedded Computer Inc.	1	Rental revenue	\$ 195	Normal	-
		BCM Embedded Computer Inc.	1	Receivables from related parties	112	30 days	-
		BCM Embedded Computer Inc.	1	Payables to related parties	1,145	30 days	-
		BCM Embedded Computer Inc.	1	Purchase	1,396	Normal	-
		BCM Embedded Computer Inc.	1	Sales	262	Normal	-
		Advantech Fund-A	1	Rental revenue	9	Normal	-
		Advantech Fund-A	1	Receivables from related parties	3	Normal	-
		Advantech Fund-A	1	Interest expense	432	Normal	-
		Advantech Fund-A	1	Payables to related parties	200,000	Normal	1%
		Broadwin Technology, Inc.	1	Sales	344	Normal	-
		Broadwin Technology, Inc.	1	Receivables from related parties	448	60 days	-
		Broadwin Technology, Inc.	1	Purchase	50	Normal	-
		Broadwin Technology, Inc.	1	Other revenue	240	Normal	-
		ACA	1	Purchase	16,447	Normal	-
		AMY	1	Sales	8,306	Normal	-
		AMY	1	Receivables from related parties	3,806	45 days	-
		AMY	1	Other revenue	226	Normal	-
		APL	1	Sales	3,119	Normal	-
		APL	1	Receivables from related parties	5,027	45 days	-
		APL	1	Payables to related parties	271	30 days after invoice date	-
		APL	1	Purchase	18	Normal	-
		Netstar Technology Co., Ltd.	1	Purchase	16,322	Normal	-
		Netstar Technology Co., Ltd.	1	Payables to related parties	9,386	60 days	-
		Netstar Technology Co., Ltd.	1	Receivables from related parties	335	25th of every quarter	-
		Netstar Technology Co., Ltd.	1	Sales	319	Normal	-
		Netstar Technology Co., Ltd.	1	Other revenue	240	Normal	-
		AKR	1	Payables to related parties	19	90 days	-
		AiSC	1	Sales	426,086	Normal	7%
		AiSC	1	Receivables from related parties	405,336	45 days	2%
		ACA	1	Receivables from related parties	5,703	30 days	-
		ACA	1	Payables to related parties	35,410	30 days	-
		AiST	1	Sales	378	Normal	-
		ANA	1	Sales	1,197,268	Normal	18%
		ANA	1	Purchase	36,441	Normal	1%
		ANA	1	Receivables from related parties	457,389	45 days	2%
		ANA	1	Payables to related parties	16,209	45 days	-
		ANA	1	Other revenue	4,303	Normal	-
		AHK	1	Payables to related parties	1,272	60 days	-
		AHK	1	Operating expense	1,315	Normal	-
		AHK	1	Receivables from related parties	34	90 days	-
		ABR	1	Receivables from related parties	13,764	90 days	-
		ABR	1	Sales	17,706	Normal	-
		ABR	1	Other revenue	187	Normal	-
		AKR	1	Sales	83,476	Normal	1%
		AKR	1	Receivables from related parties	40,771	Prompt collection	-
		AKR	1	Other revenue	1,075	Normal	-
		DLoG	1	Sales	2,116	Normal	-
		DLoG	1	Receivables from related parties	791	30 days after invoice date	-

(Continued)

Number (Note A)	Company Name	Counter Party	Flow of Transaction (Note B)	Transaction Details			% to Consolidated Assets/Revenue (Note C)
				Financial Statement Account	Amount	Payment Terms	
		AiST	1	Payables to related parties	\$ 13,571	30 days	-
		AiST	1	Purchase	80,939	Normal	1%
		Cermate	1	Receivables from related parties	189	Half-year payment (June, December)	-
		Cermate	1	Purchase	4,010	Normal	-
		Cermate	1	Payables to related parties	1,709	Half-year payment (June, December)	-
		Cermate	1	Other revenue	180	Normal	-
		ATH	1	Sales	14,585	Normal	-
		ATH	1	Receivables from related parties	12,154	30 days after invoice date	-
		ATH	1	Other revenue	82	Normal	-
		ACA	1	Sales	5,425	Normal	-
		Innocore	1	Sales	3,673	Normal	-
		Innocore	1	Receivables from related parties	41	30 days	-
1	ANA	Advantech Co., Ltd.	2	Sales	36,441	Normal	1%
		Advantech Co., Ltd.	2	Receivables from related parties	16,209	45 days	-
		Advantech Co., Ltd.	2	Purchase	1,197,268	Normal	18%
		Advantech Co., Ltd.	2	Payables to related parties	457,389	45 days	2%
		Advantech Co., Ltd.	2	Other expense	4,303	Normal	-
		DLoG	3	Purchase	198	Normal	-
		AEU	3	Sales	848	Normal	-
		AEU	3	Purchase	292	Normal	-
		AEU	3	Receivables from related parties	29,965	60-90 days	-
		AEU	3	Interest revenue	147	Normal	-
		AAU	3	Sales	10	Normal	-
		ACN	3	Sales	152	Normal	-
		AMY	3	Receivables from related parties	86	60 days	-
		ACN	3	Receivables from related parties	126	30 days	-
		AKMC	3	Receivables from related parties	170,520	30 days after invoice date	1%
		AKMC	3	Purchase	415	Normal	-
		AKMC	3	Interest revenue	850	Normal	-
		AKMC	3	Payables to related parties	266	60-90 days	-
		AJP	3	Sales	22	Normal	-
		AJP	3	Receivables from related parties	22	15 days after invoice date	-
		DLoG	3	Payables to related parties	206	30 days	-
		APL	3	Purchase	9	Normal	-
2	AEU	Advantech Co., Ltd.	2	Sales	370	Normal	-
		Advantech Co., Ltd.	2	Receivables from related parties	1,041	30 days	-
		Advantech Co., Ltd.	2	Purchase	564,393	Normal	9%
		Advantech Co., Ltd.	2	Other expense	1,705	Normal	-
		Advantech Co., Ltd.	2	Payables to related parties	837,106	30 days	4%
		AEU	3	Sales	695	Normal	-
		AEU	3	Commission expense	55,347	Normal	1%
		AEU	3	Receivables from related parties	39,668	30 days after invoice date	-
		AEU	3	Payables to related parties	39,668	30 days after invoice date	-
		APL	3	Purchase	10,978	Normal	-
		APL	3	Receivables from related parties	1,374	30 days	-
		APL	3	Payables to related parties	27,662	30 days after invoice date	-

(Continued)

Number (Note A)	Company Name	Counter Party	Flow of Transaction (Note B)	Transaction Details			% to Consolidated Assets/Revenue (Note C)
				Financial Statement Account	Amount	Payment Terms	
		DLoG	3	Receivables from related parties	\$ 30	30 days	-
		ACN	3	Receivables from related parties	1,640	30 days after invoice date	-
		AJP	3	Payables to related parties	12	60 days	-
		AJP	3	Receivables from related parties	4	30 days	-
		ANA	3	Sales	292	Normal	-
		ANA	3	Purchase	848	Normal	-
		ANA	3	Interest expense	147	Normal	-
		ANA	3	Payables to related parties	29,965	60-90 days	-
		APL	3	Sales	516	Normal	-
		AAU	3	Sales	38	Normal	-
		ATC	3	Receivables from related parties	5,093	7 days after invoice date	-
		AEU	3	Commission revenue	55,347	Normal	1%
		AEU	3	Purchase	694	Normal	-
		AEUH	3	Payables to related parties	481	30 days after invoice date	-
		DLoG	3	Payables to related parties	30	30 days	-
3	ACN	Advantech Co., Ltd.	2	Sales	2,690	Normal	-
		Advantech Co., Ltd.	2	Receivables from related parties	1,924	30 days	-
		Advantech Co., Ltd.	2	Purchase	517,111	Normal	8%
		Advantech Co., Ltd.	2	Payables to related parties	387,030	45 days	2%
		Advantech Co., Ltd.	2	Other expense	5,766	Normal	-
		ANA	3	Purchase	152	Normal	-
		AHK	3	Receivables from related parties	5,583	60-90 days	-
		AKMC	3	Purchase	5,571	Normal	-
		ANA	3	Payables to related parties	126	30 days	-
		AKMC	3	Payables to related parties	5,443	60-90 days	-
		AKMC	3	Sales	7,070	Normal	-
		AKMC	3	Rental expense	887	Normal	-
		AKMC	3	Receivables from related parties	7,746	60-90 days	-
		AiSC	3	Interest revenue	14	Normal	-
		AMY	3	Sales	25	Normal	-
		AXA	3	Receivables from related parties	23,778	Prompt collection	-
		AXA	3	Payables to related parties	40	25th of every month	-
		AiSC	3	Interest expense	444	Normal	-
		AiSC	3	Receivables from related parties	51,269	25th of every month	-
		AiSC	3	Sales	59,655	Normal	1%
		AiSC	3	Purchase	42,699	Normal	1%
		AiSC	3	Payables to related parties	144,202	25th of every month	1%
		AAU	3	Receivables from related parties	406	30th of every month	-
		AAU	3	Sales	391	Normal	-
		ASZ (ACN)	3	Receivables from related parties	3,185	45 days	-
		BCM Embedded Computer Inc.	3	Receivables from related parties	157	60 days	-
		AEUH	3	Receivables from related parties	318	60-90 days	-
		AEUH	3	Sales	292	Normal	-
		ACN	3	Receivables from related parties	885	45 days	-
		ACN	3	Payables to related parties	3,185	45 days	-

(Continued)

Number (Note A)	Company Name	Counter Party	Flow of Transaction (Note B)	Transaction Details			% to Consolidated Assets/Revenue (Note C)
				Financial Statement Account	Amount	Payment Terms	
		ACN	3	Payables to related parties	\$ 885	45 days	-
		AEU	3	Payables to related parties	1,640	30 days after invoice date	-
4	ATC	Advantech Co., Ltd.	2	Receivables from related parties	1,136,300	60 days	6%
		Advantech Co., Ltd.	2	Royalty expense	73,684	Normal	1%
		Advantech Co., Ltd.	2	Sales	1,475,110	Normal	23%
		AKMC	3	Purchase	1,407,273	Normal	22%
		AKMC	3	Payables to related parties	409,119	60-90 days	2%
		AKMC	3	Sales	2,560	Normal	-
		AKMC	3	Receivables from related parties	2,568	60-90 days	-
		AEU	3	Payables to related parties	5,093	7 days after invoice date	-
5	AKMC	Advantech Co., Ltd.	2	Purchase	84,693	Normal	1%
		Advantech Co., Ltd.	2	Payables to related parties	-11,206	45 days	-
		ACN	3	Purchase	7,070	Normal	-
		ACN	3	Rental revenue	887	Normal	-
		ACN	3	Sales	5,571	Normal	-
		ACN	3	Receivables from related parties	5,443	60-90 days	-
		ACN	3	Payables to related parties	7,746	60-90 days	-
		AEUH	3	Sales	7	Normal	-
		ATC	3	Payables to related parties	2,568	60-90 days	-
		ATC	3	Sales	1,407,273	Normal	22%
		ATC	3	Purchase	2,560	Normal	-
		ATC	3	Receivables from related parties	409,119	60-90 days	2%
		AEUH	3	Receivables from related parties	6	60-90 days	-
		ANA	3	Receivables from related parties	266	60-90 days	-
		AiSC	3	Receivables from related parties	12,115	Prompt collection	-
		AiSC	3	Sales	14,492	Normal	-
		AiSC	3	Purchase	3,392	Normal	-
		AiSC	3	Payables to related parties	1,575	30 days	-
		AJP	3	Payables to related parties	110	45 days	-
		ANA	3	Payables to related parties	170,520	30 days after invoice date	1%
		ANA	3	Interest expense	850	Normal	-
		AiST	3	Purchase	108,951	Normal	2%
		AiST	3	Payables to related parties	58,504	Per quarter	-
		ANA	3	Sales	415	Normal	-
		Cermate	3	Receivables from related parties	138	60 days	-
		Netstar Technology Co., Ltd.	3	Sales	59,389	Normal	1%
		Netstar Technology Co., Ltd.	3	Purchase	1,228	Normal	-
		Netstar Technology Co., Ltd.	3	Receivables from related parties	45,602	Per quarter	-
		Netstar Technology Co., Ltd.	3	Payables to related parties	1,648	Per quarter	-
		Hangzhou Advantofine Automation tech. Co., Ltd.	3	Receivables from related parties	65	Per quarter	-
		Cermate	3	Sales	137	Normal	-
		Advansus Corp.	3	Receivables from related parties	3,460	Prompt collection	-
		Advansus Corp.	3	Payables to related parties	54,316	60-90 days	-

(Continued)

Number (Note A)	Company Name	Counter Party	Flow of Transaction (Note B)	Transaction Details			% to Consolidated Assets/Revenue (Note C)
				Financial Statement Account	Amount	Payment Terms	
		Advansus Corp.	3	Sales	\$ 7,781	Normal	-
		Advansus Corp.	3	Purchase	108,284	Normal	2%
6	APL	Advantech Co., Ltd.	2	Purchase	3,119	Normal	-
		Advantech Co., Ltd.	2	Sales	18	Normal	-
		Advantech Co., Ltd.	2	Payables to related parties	5,027	45 days	-
		Advantech Co., Ltd.	2	Receivables from related parties	271	30 days after invoice date	-
		AJP	3	Receivables from related parties	7	Per quarter	-
		AEU	3	Payables to related parties	1,374	30 days	-
		AEU	3	Receivables from related parties	27,662	30 days after invoice date	-
		AEU	3	Sales	10,978	Normal	-
		ANA	3	Sales	9	Normal	-
		AEU	3	Purchase	516	Normal	-
7	AEUH	ACN	3	Payables to related parties	318	60-90 days	-
		ACN	3	Purchase	292	Normal	-
		AKMC	3	Payables to related parties	6	60-90 days	-
		AKMC	3	Purchase	7	Normal	-
		AAU	3	Payables to related parties	6	30 days after invoice date	-
		AEU	3	Receivables from related parties	481	30 days after invoice date	-
		DLoG	3	Payables to related parties	72	30 days	-
8	ASG	Advantech Co., Ltd.	2	Receivables from related parties	151	60-90 days	-
		Advantech Co., Ltd.	2	Purchase	19,111	Normal	-
		Advantech Co., Ltd.	2	Payables to related parties	17,345	60-90 days	-
		Advantech Co., Ltd.	2	Other expense	323	Normal	-
		AMY	3	Sales	1,628	Normal	-
		AMY	3	Other expense	44	Normal	-
		AMY	3	Receivables from related parties	740	30 days	-
		ATH	3	Receivables from related parties	2,716	30 days	-
		ATH	3	Sales	2,648	Normal	-
9	AJP	Advantech Co., Ltd.	2	Sales	-	Normal	-
		Advantech Co., Ltd.	2	Receivables from related parties	355	60-90 days	-
		Advantech Co., Ltd.	2	Purchase	90,581	Normal	1%
		Advantech Co., Ltd.	2	Payables to related parties	45,036	60-90 days	-
		Advantech Co., Ltd.	2	Other expense	3,849	Normal	-
		ANA	3	Payables to related parties	22	15 days after invoice date	-
		ANA	3	Purchase	22	Normal	-
		AEU	3	Payables to related parties	4	30 days	-
		APL	3	Payables to related parties	7	Per quarter	-
		AKMC	3	Receivables from related parties	110	45 days	-
		AEU	3	Receivables from related parties	12	60 days	-
10	AAU	Advantech Co., Ltd.	2	Purchase	35,819	Normal	1%
		Advantech Co., Ltd.	2	Payables to related parties	17,328	60-90 days	-
		Advantech Co., Ltd.	2	Sales	22	Normal	-

(Continued)

Number (Note A)	Company Name	Counter Party	Flow of Transaction (Note B)	Transaction Details			% to Consolidated Assets/Revenue (Note C)
				Financial Statement Account	Amount	Payment Terms	
		Advantech Co., Ltd.	2	Other expense	\$ 386	Normal	-
		Advantech Co., Ltd.	2	Receivables from related parties	22	60-90 days	-
		AEU	3	Purchase	38	Normal	-
		ANA	3	Purchase	10	Normal	-
		AMY	3	Receivables from related parties	1	30 days after invoice date	-
		AEUH	3	Receivables from related parties	6	30 days after invoice date	-
		ACN	3	Payables to related parties	406	30th of every month	-
		ACN	3	Purchase	391	Normal	-
11	Advansus Corp.	Advantech Co., Ltd.	2	Sales	325,244	Normal	5%
		Advantech Co., Ltd.	2	Receivables from related parties	111,306	60-90 days	1%
		Advantech Co., Ltd.	2	Purchase	4,767	Normal	-
		Advantech Co., Ltd.	2	Payables to related parties	3,713	60-90 days	-
		Advantech Co., Ltd.	2	Rental expense	1,755	Normal	-
		Advantech Co., Ltd.	2	Other expense	4,596	Normal	-
		AKR	3	Sales	15,856	Normal	-
		AKMC	3	Payables to related parties	3,460	Prompt collection	-
		AKMC	3	Purchase	7,781	Normal	-
		AKMC	3	Receivables from related parties	54,316	60-90 days	-
		AKMC	3	Sales	108,284	Normal	2%
		BCM Embedded Computer Inc.	3	Receivables from related parties	6,834	60-90 days	-
		BCM Embedded Computer Inc.	3	Sales	16,502	Normal	-
		AKR	3	Receivables from related parties	9,062	60-90 days	-
		AiST	3	Payables to related parties	44,103	60-90 days	-
		AiST	3	Purchase	94,512	Normal	1%
		AiST	3	Receivables from related parties	20,718	60-90 days	-
		AiST	3	Sales	49,981	Normal	1%
12	Advantech Fund-A	Advantech Co., Ltd.	2	Rental expense	9	Normal	-
		Advantech Co., Ltd.	2	Interest revenue	432	Normal	-
		Advantech Co., Ltd.	2	Receivables from related parties	200,000	Normal	1%
		Advantech Co., Ltd.	2	Payables to related parties	3	Normal	-
		Netstar Technology Co., Ltd.	3	Interest revenue	60	Normal	-
		ACA	3	Interest revenue	20	Normal	-
		ACA	3	Receivables from related parties	8,208	Normal	-
		Netstar Technology Co., Ltd.	3	Receivables from related parties	12,040	Normal	-
13	AMY	Advantech Co., Ltd.	2	Purchase	8,306	Normal	-
		Advantech Co., Ltd.	2	Other expense	226	Normal	-
		Advantech Co., Ltd.	2	Payables to related parties	3,806	45 days	-
		ASG	3	Payables to related parties	740	30 days	-
		ASG	3	Other revenue	44	Normal	-
		ASG	3	Purchase	1,628	Normal	-
		ANA	3	Payables to related parties	86	60 days	-
		ACN	3	Purchase	25	Normal	-
		AAU	3	Payables to related parties	1	30 days after invoice date	-

(Continued)

Number (Note A)	Company Name	Counter Party	Flow of Transaction (Note B)	Transaction Details			% to Consolidated Assets/Revenue (Note C)
				Financial Statement Account	Amount	Payment Terms	
14	ACA	Advantech Fund-A	3	Interest expense	\$ 20	Normal	-
		Advantech Fund-A	3	Payables to related parties	8,208	Normal	-
		Advantech Co., Ltd.	2	Sales	16,447	Normal	-
		Advantech Co., Ltd.	2	Receivables from related parties	35,410	30 days	-
		Advantech Co., Ltd.	2	Purchase	5,425	Normal	-
		Advantech Co., Ltd.	2	Payables to related parties	5,703	30 days	-
15	Netstar Technology Co., Ltd.	Advantech Co., Ltd.	2	Sales	16,322	Normal	-
		Advantech Co., Ltd.	2	Purchase	319	Normal	-
		Advantech Co., Ltd.	2	Receivables from related parties	9,386	60 days	-
		Advantech Co., Ltd.	2	Payables to related parties	335	25th of every quarter	-
		Advantech Co., Ltd.	2	Other expense	240	Normal	-
		Advantech Fund-A	3	Interest expense	60	Normal	-
		Advantech Fund-A	3	Payables to related parties	12,040	Normal	-
		Broadwin Technology, Inc.	3	Interest expense	100	Normal	-
		Broadwin Technology, Inc.	3	Payables to related parties	17,000	Normal	-
		AKMC	3	Receivables from related parties	1,648	Per quarter	-
		AKMC	3	Sales	1,228	Normal	-
		AKMC	3	Payables to related parties	45,602	Per quarter	-
		AKMC	3	Purchase	59,389	Normal	1%
16	BCM Embedded Computer Inc.	Advantech Co., Ltd.	2	Rental expense	195	Normal	-
		Advantech Co., Ltd.	2	Payables to related parties	112	30 days	-
		Advantech Co., Ltd.	2	Purchase	262	Normal	-
		Advantech Co., Ltd.	2	Receivables from related parties	1,145	30 days	-
		Advantech Co., Ltd.	2	Sales	1,396	Normal	-
		ACN	3	Payables to related parties	157	60 days	-
		AiSC	3	Payables to related parties	144	45 days	-
		Advansus Corp.	3	Payables to related parties	6,834	60-90 days	-
		Advansus Corp.	3	Purchase	16,502	Normal	-
17	Broadwin Technology, Inc.	Advantech Co., Ltd.	2	Purchase	344	Normal	-
		Advantech Co., Ltd.	2	Sales	50	Normal	-
		Advantech Co., Ltd.	2	Payables to related parties	448	60 days	-
		Advantech Co., Ltd.	2	Other expense	240	Normal	-
		Netstar Technology Co., Ltd.	3	Interest revenue	100	Normal	-
		Netstar Technology Co., Ltd.	3	Receivables from related parties	17,000	Normal	-
18	AHK	Advantech Co., Ltd.	2	Payables to related parties	34	90 days	-
		Advantech Co., Ltd.	2	Receivables from related parties	1,272	60 days	-
		Advantech Co., Ltd.	2	Other revenue	1,315	Normal	-
		ACN	3	Payables to related parties	5,583	60-90 days	-
		AiSC	3	Payables to related parties	7,010	30 days	-
19	AiSC	Advantech Co., Ltd.	2	Purchase	426,086	Normal	7%
		Advantech Co., Ltd.	2	Payables to related parties	405,336	45 days	2%
		AKMC	3	Sales	3,392	Normal	-

(Continued)

Number (Note A)	Company Name	Counter Party	Flow of Transaction (Note B)	Transaction Details			% to Consolidated Assets/Revenue (Note C)
				Financial Statement Account	Amount	Payment Terms	
		AKMC	3	Purchase	\$ 14,492	Normal	-
		AKMC	3	Payables to related parties	12,115	Prompt collection	-
		AKMC	3	Receivables from related parties	1,575	30 days	-
		BCM Embedded Computer Inc.	3	Receivables from related parties	144	45 days	-
		ACN	3	Interest revenue	444	Normal	-
		ACN	3	Sales	42,699	Normal	1%
		ACN	3	Receivables from related parties	144,202	25th of every month	1%
		ACN	3	Purchase	59,655	Normal	1%
		ACN	3	Interest expense	14	Normal	-
		ACN	3	Payables to related parties	51,269	25th of every month	-
		Hangzhou Advantofine Automation tech. Co., Ltd.	3	Receivables from related parties	9,830	Prompt collection	-
		Hangzhou Advantofine Automation tech. Co., Ltd.	3	Sales	13,581	Normal	-
		AHK	3	Receivables from related parties	7,010	30 days	-
20	Hangzhou Advantofine Automation tech. Co., Ltd.	AKMC	3	Payables to related parties	65	Per quarter	-
		AiSC	3	Payables to related parties	9,830	Prompt collection	-
		AiSC	3	Purchase	13,581	Normal	-
21	AXA	ACN	3	Receivables from related parties	40	25th of every month	-
		ACN	3	Payables to related parties	23,778	Prompt collection	-
22	ABR	Advantech Co., Ltd.	2	Purchase	17,706	Normal	-
		Advantech Co., Ltd.	2	Other expense	187	Normal	-
		Advantech Co., Ltd.	2	Payables to related parties	13,764	90 days	-
23	Cermate	Advantech Co., Ltd.	2	Payables to related parties	189	Half-year payment (June, December)	-
		Advantech Co., Ltd.	2	Sales	4,010	Normal	-
		Advantech Co., Ltd.	2	Receivables from related parties	1,709	Half-year payment (June, December)	-
		Advantech Co., Ltd.	2	Other expense	180	Normal	-
		Cermate (Shenzhen)	3	Purchase	503	Normal	-
		Cermate (Shenzhen)	3	Payables to related parties	567	60 days	-
		AKMC	3	Payables to related parties	138	60 days	-
		AKMC	3	Purchase	137	Normal	-
		Cermate (Shenzhen)	3	Receivables from related parties	13,503	30 days	-
		Cermate (Shenzhen)	3	Sales	13,503	Normal	-
24	AKR	Advantech Co., Ltd.	2	Purchase	83,476	Normal	1%
		Advantech Co., Ltd.	2	Payables to related parties	40,771	Prompt collection	-
		Advantech Co., Ltd.	2	Receivables from related parties	19	90 days	-
		Advantech Co., Ltd.	2	Other expense	1,075	Normal	-
		Advansus Corp.	3	Payables to related parties	9,062	60-90 days	-
		Advansus Corp.	3	Purchase	15,856	Normal	-

(Continued)

Number (Note A)	Company Name	Counter Party	Flow of Transaction (Note B)	Transaction Details			% to Consolidated Assets/Revenue (Note C)
				Financial Statement Account	Amount	Payment Terms	
25	DLoG	Advantech Co., Ltd.	2	Purchase	\$ 2,116	Normal	-
		Advantech Co., Ltd.	2	Payables to related parties	791	30 days after invoice date	-
		AEU	3	Payables to related parties	30	30 days	-
		AEU	3	Receivables from related parties	30	30 days	-
		AEUH	3	Receivables from related parties	72	30 days	-
		ANA	3	Receivables from related parties	206	30 days	-
		ANA	3	Sales	198	Normal	-
26	Cermate (Shenzhen)	Cermate	3	Receivables from related parties	567	60 days	-
		Cermate	3	Sales	503	Normal	-
		Cermate	3	Purchase	13,503	Normal	-
		Cermate	3	Payables to related parties	13,503	30 days	-
		Cermate (Shanghai)	3	Sales	8,104	Normal	-
		Cermate (Shanghai)	3	Payables to related parties	6,003	60 days	-
27	Cermate (Shanghai)	Cermate (Shenzhen)	3	Receivables from related parties	6,003	60 days	-
		Cermate (Shenzhen)	3	Purchase	8,104	Normal	-
28	AiST	Advantech Co., Ltd.	2	Purchase	378	Normal	-
		Advantech Co., Ltd.	2	Receivables from related parties	13,571	30 days	-
		Advansus Corp.	3	Payables to related parties	20,718	30 days	-
		Advansus Corp.	3	Purchase	49,981	Normal	1%
		Advansus Corp.	3	Receivables from related parties	44,103	30 days	-
		AKMC	3	Receivables from related parties	58,504	30 days	-
		AKMC	3	Sales	108,951	Normal	2%
		Advansus Corp.	3	Sales	94,512	Normal	1%
		Advantech Co., Ltd.	2	Sales	80,939	Normal	1%
29	ATH	Advantech Co., Ltd.	2	Purchase	14,585	Normal	-
		Advantech Co., Ltd.	2	Other expense	82	Normal	-
		Advantech Co., Ltd.	2	Payables to related parties	12,154	30 days after invoice date	-
		ASG	3	Payables to related parties	2,716	30 days	-
		ASG	3	Purchase	2,648	Normal	-
30	Innocore	Advantech Co., Ltd.	2	Purchase	3,673	Normal	-
		Advantech Co., Ltd.	2	Payables to related parties	41	30 days	-

(Continued)

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Number (Note A)	Company Name	Counter Party	Flow of Transaction (Note B)	Transaction Details			% to Consolidated Assets/Revenue (Note C)
				Financial Statement Account	Amount	Payment Terms	
0	Advantech Co., Ltd.	AESC	1	Sales	\$ 406,509	Normal	9%
		AESC	1	Receivables from related parties	497,733	30 days	3%
		AESC	1	Purchase	464	Normal	-
		AESC	1	Payables to related parties	87	30 days	-
		ACN	1	Sales	382,885	Normal	9%
		ACN	1	Receivables from related parties	318,885	45 days	2%
		ACN	1	Purchase	299	Normal	-
		ACN	1	Payables to related parties	146	30 days	-
		ATC	1	Purchase	992,280	Normal	23%
		ATC	1	Payables to related parties	831,696	60 days	5%
		ATC	1	Royalty income	49,689	Normal	1%
		AKMC	1	Sales	97,172	Normal	2%
		AKMC	1	Receivables from related parties	128,516	45 days	1%
		AKMC	1	Payables to related parties	355	60 days	-
		AAU	1	Sales	41,247	Normal	1%
		AAU	1	Receivables from related parties	36,154	60-90 days	-
		AAU	1	Purchase	9	Normal	-
		AAU	1	Payables to related parties	8	60-90 days	-
		ASG	1	Sales	28,977	Normal	1%
		ASG	1	Receivables from related parties	21,996	60-90 days	-
		ASG	1	Payables to related parties	51	60-90 days	-
		AJP	1	Sales	81,933	Normal	2%
		AJP	1	Receivables from related parties	61,311	60-90 days	-
		AJP	1	Payables to related parties	1	60-90 days	-
		Advansus Corp.	1	Sales	1,960	Normal	-
		Advansus Corp.	1	Receivables from related parties	2,582	60-90 days	-
		Advansus Corp.	1	Purchase	409,494	Normal	9%
		Advansus Corp.	1	Payables to related parties	157,532	60-90 days	1%
		Advansus Corp.	1	Rental revenue	1,755	Normal	-
		Advansus Corp.	1	Other revenue	2,303	Normal	-
		BCM Embedded Computer Inc.	1	Rental revenue	195	Normal	-
		BCM Embedded Computer Inc.	1	Receivables from related parties	451	30 days	-
		BCM Embedded Computer Inc.	1	Purchase	37	Normal	-
		BCM Embedded Computer Inc.	1	Sales	307	Normal	-
		Advantech Fund-A	1	Rental revenue	9	Normal	-
		Broadwin Technology, Inc.	1	Sales	241	Normal	-
		Broadwin Technology, Inc.	1	Receivables from related parties	400	60 days	-
		Broadwin Technology, Inc.	1	Purchase	172	Normal	-
		Broadwin Technology, Inc.	1	Payables to related parties	167	60 days	-
		Broadwin Technology, Inc.	1	Other revenue	140	Normal	-
ADL	1	Receivables from related parties	796	30 days	-		
ADL	1	Payables to related parties	511	30 days	-		
AMY	1	Sales	8,800	Normal	-		
AMY	1	Receivables from related parties	5,476	45 days	-		
AMY	1	Payables to related parties	501	Normal	-		

(Continued)

Number (Note A)	Company Name	Counter Party	Flow of Transaction (Note B)	Transaction Details			% to Consolidated Assets/Revenue (Note C)
				Financial Statement Account	Amount	Payment Terms	
		APL	1	Sales	\$ 2,000	Normal	-
		APL	1	Receivables from related parties	1,923	45 days	-
		APL	1	Payables to related parties	14	30 days after invoice date	-
		APL	1	Purchase	15	Normal	-
		Netstar Technology Co., Ltd.	1	Purchase	12,739	Normal	-
		Netstar Technology Co., Ltd.	1	Payables to related parties	9,816	60 days	-
		Netstar Technology Co., Ltd.	1	Receivables from related parties	5,189	25th of every quarter	-
		Netstar Technology Co., Ltd.	1	Sales	2,392	Normal	-
		Netstar Technology Co., Ltd.	1	Other revenue	160	Normal	-
		Jan Hsiang	1	Purchase	5,391	Normal	-
		Jan Hsiang	1	Payables to related parties	2,058	60 days	-
		AYS	1	Payables to related parties	22,764	90 days	-
		AiSC	1	Sales	313,922	Normal	7%
		AiSC	1	Receivables from related parties	266,489	45 days	2%
		AiSC	1	Payables to related parties	8,162	45 days	-
		ANA	1	Sales	836,394	Normal	19%
		ANA	1	Purchase	12,600	Normal	-
		ANA	1	Receivables from related parties	304,387	45 days	2%
		ANA	1	Payables to related parties	6,086	45 days	-
		AHK	1	Payables to related parties	4	60 days	-
		AHK	1	Receivables from related parties	41	60 days	-
		ABR	1	Receivables from related parties	14,495	90 days	-
		ABR	1	Sales	16,231	Normal	-
		ABR	1	Payables to related parties	55	Normal	-
		Cermate	1	Receivables from related parties	42	Every 6 months (June and December)	-
		Cermate	1	Other revenue	40	Normal	-
1	ANA	Advantech Co., Ltd.	2	Sales	12,600	Normal	-
		Advantech Co., Ltd.	2	Receivables from related parties	6,086	45 days	-
		Advantech Co., Ltd.	2	Purchase	836,394	Normal	19%
		Advantech Co., Ltd.	2	Payables to related parties	304,387	45 days	2%
		ASG	3	Sales	42	Normal	-
		AESC	3	Sales	577	Normal	-
		AESC	3	Receivables from related parties	36,761	60-90 days	-
		AESC	3	Purchase	613	Normal	-
		AESC	3	Interest revenue	249	Normal	-
		AAU	3	Sales	68	Normal	-
		AAU	3	Payables to related parties	11	30 days after invoice date	-
		ACN	3	Sales	236	Normal	-
		AMY	3	Sales	110	60 days	-
		AKMC	3	Receivables from related parties	92,104	30 days after invoice date	1%
		AKMC	3	Interest revenue	463	30 days	-
		AJP	3	Sales	12	Normal	-
		AJP	3	Receivables from related parties	12	15 days after invoice date	-
		ADL	3	Payables to related parties	9	30 days	-
		AMY	3	Receivables from related parties	47	30 days	-

(Continued)

Number (Note A)	Company Name	Counter Party	Flow of Transaction (Note B)	Transaction Details			% to Consolidated Assets/Revenue (Note C)
				Financial Statement Account	Amount	Payment Terms	
2	AESC	Advantech Co., Ltd.	2	Sales	\$ 464	Normal	-
		Advantech Co., Ltd.	2	Receivables from related parties	87	30 days	-
		Advantech Co., Ltd.	2	Purchase	406,509	Normal	9%
		Advantech Co., Ltd.	2	Payables to related parties	497,733	30 days	3%
		ADL	3	Sales	1,327	Normal	-
		ADL	3	Commission expense	94,810	Normal	2%
		ADL	3	Receivables from related parties	37,921	30 days after invoice date	-
		ADL	3	Payables to related parties	(36,453)	30 days after invoice date	-
		APL	3	Receivables from related parties	279	30 days	-
		APL	3	Payables to related parties	18,150	30 days after invoice date	-
		AAU	3	Receivables from related parties	44	30 days	-
		AJP	3	Payables to related parties	12	45 days	-
		ANA	3	Sales	613	Normal	-
		ANA	3	Purchase	577	Normal	-
		ANA	3	Interest expense	249	Normal	-
		ANA	3	Payables to related parties	36,761	60-90 days	-
		APL	3	Sales	194	30 days	-
		AAU	3	Sales	45	Normal	-
3	ACN	Advantech Co., Ltd.	2	Sales	299	Normal	-
		Advantech Co., Ltd.	2	Receivables from related parties	146	30 days	-
		Advantech Co., Ltd.	2	Purchase	382,885	Normal	9%
		Advantech Co., Ltd.	2	Payables to related parties	318,885	45 days	2%
		ANA	3	Purchase	236	Normal	-
		AHK	3	Sales	18	Every two months	-
		AKMC	3	Purchase	7,494	Normal	-
		AKMC	3	Payables to related parties	5,684	60-90 days	-
		AKMC	3	Sales	3,097	Normal	-
		AKMC	3	Rental expense	927	Normal	-
		AKMC	3	Interest revenue	478	Normal	-
		SHHQ	3	Interest expense	157	Normal	-
		AXA	3	Receivables from related parties	16,447	Prompt collection	-
		AXA	3	Payables to related parties	36	25th of every month	-
		AiSC	3	Interest expense	425	60 days	-
		AiSC	3	Receivables from related parties	126,227	25th of every month	1%
		AiSC	3	Sales	45,452	Normal	1%
		AiSC	3	Purchase	37,559	Normal	1%
		AiSC	3	Payables to related parties	76,981	25th of every month	-
		AAU	3	Sales	366	Normal	-
AAC (BVI)	3	Dividend payable	14,598	Cash on delivery	-		
AEU	3	Sales	288	Normal	-		
4	ATC	Advantech Co., Ltd.	2	Receivables from related parties	831,696	60 days	5%
		Advantech Co., Ltd.	2	Royalty expense	49,689	Normal	1%
		Advantech Co., Ltd.	2	Sales	992,280	Normal	23%
		AKMC	3	Purchase	856,872	Normal	20%
		AKMC	3	Payables to related parties	118,670	60-90 days	1%

(Continued)

Number (Note A)	Company Name	Counter Party	Flow of Transaction (Note B)	Transaction Details			% to Consolidated Assets/Revenue (Note C)
				Financial Statement Account	Amount	Payment Terms	
		AKMC	3	Sales	\$ 16,289	Normal	-
		AKMC	3	Receivables from related parties	15,201	60-90 days	-
		ADL	3	Payables to related parties	8,522	7 days after invoice date	-
5	AKMC	Advantech Co., Ltd.	2	Purchase	97,172	Normal	2%
		Advantech Co., Ltd.	2	Payables to related parties	128,516	45 days	1%
		Advantech Co., Ltd.	2	Receivables from related parties	355	60 days	-
		ACN	3	Purchase	3,097	Normal	-
		ACN	3	Rental revenue	927	Normal	-
		ACN	3	Sales	7,494	Normal	-
		ACN	3	Receivables from related parties	5,684	60-90 days	-
		ACN	3	Interest expense	478	Normal	-
		ATC	3	Payables to related parties	15,201	60-90 days	-
		ATC	3	Sales	856,872	Normal	20%
		ATC	3	Purchase	16,289	Normal	-
		ATC	3	Receivables from related parties	118,670	60-90 days	1%
		AiSC	3	Receivables from related parties	17,926	Prompt collection	-
		AiSC	3	Sales	34,818	Normal	1%
		AiSC	3	Purchase	1,317	Normal	-
		AiSC	3	Payables to related parties	938	30 days	-
		AJP	3	Payables to related parties	108	45 days	-
		ANA	3	Payables to related parties	92,104	30 days after invoice date	1%
		ANA	3	Interest expense	463	30 days	-
		Netstar Technology Co., Ltd.	3	Receivables from related parties	45,791	Per quarter	-
		Netstar Technology Co., Ltd.	3	Sales	47,093	Per quarter	1%
		Netstar Technology Co., Ltd.	3	Purchase	15,000	Every two months	-
		Netstar Technology Co., Ltd.	3	Payables to related parties	12,672	Every two months	-
		Advansus Corp.	3	Receivables from related parties	3,300	Prompt collection	-
		Advansus Corp.	3	Payables to related parties	151,290	60-90 days	1%
		Advansus Corp.	3	Sales	3,287	Normal	-
		Advansus Corp.	3	Purchase	289,542	Normal	7%
6	APL	Advantech Co., Ltd.	2	Purchase	2,000	Normal	-
		Advantech Co., Ltd.	2	Sales	15	Normal	-
		Advantech Co., Ltd.	2	Payables to related parties	1,923	45 days	-
		Advantech Co., Ltd.	2	Receivables from related parties	14	30 days after invoice date	-
		AESC	3	Payables to related parties	279	30 days	-
		AESC	3	Receivables from related parties	18,150	30 days after invoice date	-
		AESC	3	Purchase	194	30 days	-
7	AEU	ACN	3	Purchase	288	Normal	-
		ADL	3	Receivables from related parties	86,307	30 days after invoice date	-
8	ADL	Advantech Co., Ltd.	2	Receivables from related parties	511	30 days	-
		Advantech Co., Ltd.	2	Payables to related parties	796	30 days	-
		ANA	3	Receivables from related parties	9	30 days	-

(Continued)

Number (Note A)	Company Name	Counter Party	Flow of Transaction (Note B)	Transaction Details			% to Consolidated Assets/Revenue (Note C)
				Financial Statement Account	Amount	Payment Terms	
		ATC AESC AESC AESC AESC AEU	3 3 3 3 3 3	Receivables from related parties Commission revenue Purchase Receivables from related parties Payables to related parties Payables to related parties	\$ 8,522 94,810 1,327 (36,453) 37,921 86,307	7 days after invoice date Normal Normal 30 days after invoice date 30 days after invoice date 30 days after invoice date	- 2% - - - -
9	ASG	Advantech Co., Ltd. Advantech Co., Ltd. Advantech Co., Ltd. AMY AMY AMY ANA	2 2 2 3 3 3 3	Receivables from related parties Purchase Payables to related parties Receivables from related parties Sales Other expense Purchase	51 28,977 21,996 380 755 10 42	60-90 days Normal 60-90 days 30 days Normal Normal Normal	- 1% - - - - -
10	AJP	Advantech Co., Ltd. Advantech Co., Ltd. Advantech Co., Ltd. ANA AKMC AESC	2 2 2 3 3 3	Receivables from related parties Purchase Payables to related parties Purchase Receivables from related parties Receivables from related parties	1 81,933 61,311 12 108 12	60-90 days Normal 60-90 days Normal 45 days 45 days	- 2% - - - -
11	AAU	Advantech Co., Ltd. Advantech Co., Ltd. Advantech Co., Ltd. Advantech Co., Ltd. AESC AESC ANA ANA ACN	2 2 2 2 3 3 3 3 3	Purchase Payables to related parties Sales Receivables from related parties Purchase Payables to related parties Purchase Receivables from related parties Purchase	41,247 36,154 9 8 45 44 68 11 366	Normal 60-90 days Normal 60-90 days Normal 30 days Normal 30 days after invoice date Normal	1% - - - - - - - -
12	Advansus Corp.	Advantech Co., Ltd. Advantech Co., Ltd. Advantech Co., Ltd. Advantech Co., Ltd. Advantech Co., Ltd. Advantech Co., Ltd. AKMC AKMC AKMC AKMC BCM Embedded Computer Inc. BCM Embedded Computer Inc.	2 2 2 2 2 2 3 3 3 3 3 3	Sales Receivables from related parties Purchase Payables to related parties Rental expense Other expense Payables to related parties Purchase Receivables from related parties Sales Receivables from related parties Sales	409,494 157,532 1,960 2,582 1,755 2,303 3,300 3,287 151,290 289,542 5,239 12,578	Normal 60-90 days Normal 60-90 days Normal Normal Cash on delivery Normal 60-90 days Normal 60-90 days Normal	9% 1% - - - - - - 1% 7% - -
13	Advantech Fund-A	Advantech Co., Ltd.	2	Rental expense	9	Normal	-

(Continued)

Number (Note A)	Company Name	Counter Party	Flow of Transaction (Note B)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% to Consolidated Assets/Revenue (Note C)
14	AMY	Advantech Co., Ltd.	2	Purchase	\$ 8,800	Normal	-
		Advantech Co., Ltd.	2	Payables to related parties	5,476	45 days	-
		Advantech Co., Ltd.	2	Receivables from related parties	501	Normal	-
		ASG	3	Payables to related parties	380	30 days	-
		ASG	3	Other revenue	10	Normal	-
		ANA	3	Purchase	110	60 days	-
15	SHHQ	ACN	3	Interest revenue	157	Normal	-
16	Netstar Technology Co., Ltd.	Advantech Co., Ltd.	2	Sales	12,739	Normal	-
		Advantech Co., Ltd.	2	Purchase	2,392	Normal	-
		Advantech Co., Ltd.	2	Receivables from related parties	9,816	60 days	-
		Advantech Co., Ltd.	2	Payables to related parties	5,189	25th of every quarter	-
		Advantech Co., Ltd.	2	Other expense	160	Normal	-
		Broadwin Technology, Inc.	3	Interest expense	200	Per quarter	-
		Broadwin Technology, Inc.	3	Payables to related parties	40,200	Per quarter	-
		AKMC	3	Receivables from related parties	12,672	Every two months	-
		AKMC	3	Sales	15,000	Every two months	-
		AKMC	3	Payables to related parties	45,791	Per quarter	-
AKMC	3	Purchase	47,093	Per quarter	1%		
17	Jan Hsiang	Advantech Co., Ltd.	2	Sales	5,391	Normal	-
		Advantech Co., Ltd.	2	Receivables from related parties	2,058	60 days	-
18	AYS	Advantech Co., Ltd.	2	Receivables from related parties	22,764	90 days	-
19	BCM Embedded Computer Inc.	Advantech Co., Ltd.	2	Rental expense	195	Normal	-
		Advantech Co., Ltd.	2	Payables to related parties	451	30 days	-
		Advantech Co., Ltd.	2	Purchase	307	Normal	-
		Advantech Co., Ltd.	2	Sales	37	Normal	-
		AiSC	3	Payables to related parties	1,536	Cash on delivery	-
		Advansus Corp.	3	Payables to related parties	5,239	60-90 days	-
Advansus Corp.	3	Purchase	12,578	Normal	-		
20	Broadwin Technology, Inc.	Advantech Co., Ltd.	2	Purchase	241	Normal	-
		Advantech Co., Ltd.	2	Receivables from related parties	167	60 days	-
		Advantech Co., Ltd.	2	Sales	172	Normal	-
		Advantech Co., Ltd.	2	Payables to related parties	400	60 days	-
		Advantech Co., Ltd.	2	Other expense	140	Normal	-
		Netstar Technology Co., Ltd.	3	Interest revenue	200	Per quarter	-
		Netstar Technology Co., Ltd.	3	Receivables from related parties	40,200	Per quarter	-
21	AHK	Advantech Co., Ltd.	2	Receivables from related parties	4	60 days	-
		Advantech Co., Ltd.	2	Payables to related parties	41	60 days	-
		ACN	3	Purchase	18	Normal	-
		AiSC	3	Payables to related parties	11,598	30 days	-

(Continued)

Number (Note A)	Company Name	Counter Party	Flow of Transaction (Note B)	Transaction Details			% to Consolidated Assets/Revenue (Note C)
				Financial Statement Account	Amount	Payment Terms	
22	AiSC	Advantech Co., Ltd.	2	Purchase	\$ 313,922	Normal	7%
		Advantech Co., Ltd.	2	Payables to related parties	266,489	60 days	2%
		Advantech Co., Ltd.	2	Receivables from related parties	8,162	45 days	-
		AKMC	3	Sales	1,317	Normal	-
		AKMC	3	Purchase	34,818	Normal	1%
		AKMC	3	Payables to related parties	17,926	Cash on delivery	-
		AKMC	3	Receivables from related parties	938	30 days	-
		BCM Embedded Computer Inc.	3	Receivables from related parties	1,536	Prompt collection	-
		ACN	3	Interest revenue	425	60 days	-
		ACN	3	Sales	37,559	Normal	1%
		ACN	3	Receivables from related parties	76,981	25th of every month	-
		ACN	3	Purchase	45,452	Normal	1%
		ACN	3	Payables to related parties	126,227	25th of every month	1%
		Hangzhou Advantofine Automation tech. Co., Ltd.	3	Receivables from related parties	5,395	Prompt collection	-
		Hangzhou Advantofine Automation tech. Co., Ltd.	3	Sales	5,147	Normal	-
AHK	3	Receivables from related parties	11,598	30 days	-		
23	Hangzhou Advantofine Automation tech. Co., Ltd.	AiSC	3	Payables to related parties	5,395	Cash on delivery	-
		AiSC	3	Purchase	5,147	Normal	-
24	AXA	ACN	3	Receivables from related parties	36	25th of every month	-
		ACN	3	Payables to related parties	16,447	Cash on delivery	-
25	AAC (BVI)	ACN	3	Dividend receivable	14,598	Prompt collection	-
26	ABR	Advantech Co., Ltd.	2	Purchase	16,231	Normal	-
		Advantech Co., Ltd.	2	Receivables from related parties	55	Normal	-
		Advantech Co., Ltd.	2	Payables to related parties	14,495	90 days	-
27	Cermate	Advantech Co., Ltd.	2	Payables to related parties	42	Every 6 months (June and December)	-
		Advantech Co., Ltd.	2	Other expense	40	Normal	-

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, 2011 and 2010, while revenues, costs and expenses are shown as a percentage to consolidated total operating revenues for the three months ended March 31, 2011 and 2010.

Note D: All intercompany transactions have been eliminated.

(Concluded)

