

Advantech Co., Ltd. and Subsidiaries

**Consolidated Financial Statements for the
Three Months Ended March 31, 2012 and 2011 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. (the "Company") and subsidiaries as of March 31, 2012 and 2011, 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, except those of Advantech Corp.(ANA), Beijing Yan Hua Xing Ye Electronic Science & Technology Co., Ltd. (ACN), and Shanghai Advantech Intelligent Services Co., Ltd. (AiSC), the financial statements of the Company's subsidiaries as of and for the three months ended March 31, 2012 and 2011 had not been reviewed. The total assets of these three subsidiaries were 32.23% (NT\$7,523,453 thousand) and 50.96% (NT\$10,416,464 thousand) of the Company's consolidated total assets as of March 31, 2012 and 2011, respectively. The total liabilities of these subsidiaries were 32.56% (NT\$2,073,937 thousand) and 43.35% (NT\$2,635,352 thousand) of the Company's consolidated total liabilities as of March 31, 2012 and 2011, respectively. The operating revenues of these subsidiaries were 31.88% (NT\$1,997,820 thousand) and 78.78% (NT\$5,118,087 thousand) of the Company's consolidated operating revenues in the three months ended March 31, 2012 and 2011, respectively. The net incomes of these subsidiaries were 29.93% (NT\$224,631 thousand) and 17.79% (NT\$160,691 thousand) of the Company's consolidated net income in the three months ended March 31, 2012 and 2011, respectively. Also, as stated in Note 10 to the financial statements, Advantech Co., Ltd. had other investments accounted for by the equity method. The carrying values of these investments were NT\$378,850 thousand and NT\$380,121 thousand as of March 31, 2012 and 2011, respectively, and the Company's equity in these investees' net income amounted to NT\$4,587 thousand and NT\$14,194 thousand in the three months ended March 31, 2012 and 2011, respectively. These investment amounts as well as additional disclosures in Note 25 required by the Securities and Futures Bureau for the Parent Company and its investees were based on the investees' unreviewed financial statements for the same reporting periods as those of the Parent 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 20, 2012

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, 2012 AND 2011

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

(Reviewed, Not Audited)

ASSETS	2012		2011		LIABILITIES AND SHAREHOLDERS' EQUITY	2012		2011	
	Amount	%	Amount	%		Amount	%	Amount	%
CURRENT ASSETS					CURRENT LIABILITIES				
Cash (Note 4)	\$ 2,522,179	11	\$ 2,339,091	12	Financial liabilities at fair value through profit or loss - current (Notes 2, 5 and 21)	\$ 6,481	-	\$ 67,104	-
Financial assets at fair value through profit or loss - current (Notes 2, 5 and 21)	26,735	-	41,585	-	Short-term bank loans (Notes 13, 19, 20 and 21)	151,428	1	853,218	4
Available-for-sale financial assets - current (Notes 2, 6 and 21)	2,061,148	9	15,110	-	Accounts payable (Note 18)	2,353,371	10	2,528,827	12
Held-to-maturity financial assets - current (Notes 2, 8 and 21)	46,846	-	-	-	Income tax payable (Note 2)	444,702	2	540,002	3
Notes receivable (Note 2)	447,282	2	299,724	2	Accrued expenses (Note 16)	1,742,826	7	1,333,128	7
Accounts receivable, net of allowance for doubtful accounts of \$55,774 thousand in 2012 and \$42,055 thousand in 2011 (Note 2)	3,713,802	16	3,890,338	19	Long-term bank loans - current portion (Notes 14, 19 and 20)	1,362	-	2,500	-
Accounts receivable from related parties (Notes 2 and 18)	2,990	-	36,681	-	Advance receipts and other current liabilities	310,707	1	254,077	1
Other receivables	109,795	-	64,484	-					
Inventories, net (Notes 2 and 7)	3,849,944	17	3,673,886	18	Total current liabilities	5,010,877	21	5,578,856	27
Deferred income tax assets - current (Note 2)	64,079	-	58,549	-					
Other financial assets - current (Note 19)	4,684	-	-	-	LONG-TERM LIABILITIES				
Prepayments and other current assets	120,432	1	167,434	1	Convertible bonds payable (Notes 2, 15 and 21)	764,391	3	-	-
					Long-term bank loans, net of current portion (Notes 14, 19 and 20)	10,894	-	18,973	-
Total current assets	12,969,916	56	10,586,882	52					
					Total long-term liabilities	775,285	3	18,973	-
LONG-TERM INVESTMENTS									
Available-for-sale financial assets - noncurrent (Notes 2, 6 and 21)	2,567,275	11	2,358,266	12	OTHER LIABILITIES				
Financial assets carried at cost - noncurrent (Notes 2 and 9)	33,257	-	103,588	-	Accrued pension liabilities (Note 2)	130,061	1	125,701	1
Equity-method investments (Notes 2 and 10)	378,850	2	380,121	2	Guarantee deposits received	1,094	-	7,459	-
					Deferred income tax liabilities - noncurrent (Note 2)	452,098	2	348,200	2
Total long-term investments	2,979,382	13	2,841,975	14	Deferred credits (Note 2)	115	-	269	-
PROPERTIES (Notes 2, 11 and 19)					Total other liabilities	583,368	3	481,629	3
Cost									
Land	2,821,299	12	2,805,245	14	Total liabilities	6,369,530	27	6,079,458	30
Buildings	2,753,041	12	2,654,032	13					
Machinery and equipment	1,106,235	5	916,557	4	SHAREHOLDERS' EQUITY (Notes 2, 15 and 16)				
Leasehold improvements	-	-	236	-	Capital stock, NTS10.00 par value - parent company				
Furniture and fixtures	490,025	2	429,974	2	Authorized - 600,000 thousand shares				
Other equipment	632,924	2	586,202	3	Issued and outstanding - 552,996 thousand shares in 2012 and 501,634 thousand shares in 2011	5,529,961	24	5,016,337	24
Total cost	7,803,524	33	7,392,246	36	Advance receipts for common stock	8,360	-	-	-
Accumulated depreciation	1,997,392	8	1,663,496	8	Total capital stock	5,538,321	24	5,016,337	24
					Capital surplus				
Construction in progress and prepayment for equipment	247,622	1	10,029	-	Additional paid-in capital from share issuance in excess of par value	3,821,335	16	4,253,103	21
					From long-term equity investments	64,603	-	59,898	-
Net properties	6,053,754	26	5,738,779	28	Employee stock options	233,708	1	101,153	1
					Total capital surplus	4,119,646	17	4,414,154	22
INTANGIBLE ASSETS (Note 2)					Retained earnings				
Trademark	89,020	-	91,395	-	Legal reserve	2,359,911	10	2,102,592	10
Goodwill	676,269	3	602,686	3	Special reserve	621,662	3	70,136	1
Deferred pension cost	6,762	-	7,357	-	Unappropriated earnings	4,309,066	18	3,473,845	17
Core technology, net	12,648	-	109,326	1	Total retained earnings	7,290,639	31	5,646,573	28
Superficies	97,784	-	96,086	-	Others				
Other intangible assets, net	150,760	1	103,633	1	Cumulative translation adjustments	(35,297)	-	(88,782)	-
					Net loss not recognized as pension cost	(2,121)	-	(2,121)	-
Total intangible assets	1,033,243	4	1,010,483	5	Unrealized loss on financial instruments	(40,299)	-	(717,515)	(4)
					Total other equity	(77,717)	-	(808,418)	(4)
OTHER ASSETS					Total shareholders' equity of parent company	16,870,889	72	14,268,646	70
Assets leased to others, net (Notes 2 and 12)	18,251	-	18,289	-	Minority interest	99,440	1	93,883	-
Refundable deposits	41,730	-	23,530	-					
Deferred expense, net (Note 2)	243,583	1	222,049	1	Total shareholders' equity	16,970,329	73	14,362,529	70
Total other assets	303,564	1	263,868	1					
TOTAL	\$ 23,339,859	100	\$ 20,441,987	100	TOTAL	\$ 23,339,859	100	\$ 20,441,987	100

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

(With Deloitte & Touche review report dated April 20, 2012)

ADVANTECH CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

THREE MONTHS ENDED MARCH 31, 2012 AND 2011

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

(Reviewed, Not Audited)

	2012		2011	
	Amount	%	Amount	%
OPERATING REVENUES (Notes 2 and 18)				
Sales	\$ 6,149,085	98	\$ 6,304,678	97
Sales returns and allowances	<u>46,665</u>	<u>1</u>	<u>53,533</u>	<u>1</u>
Net sales	6,102,420	97	6,251,145	96
Other operating revenues	<u>165,043</u>	<u>3</u>	<u>245,608</u>	<u>4</u>
Total operating revenues	6,267,463	100	6,496,753	100
OPERATING COSTS (Notes 7 and 18)	<u>3,772,516</u>	<u>60</u>	<u>3,994,813</u>	<u>61</u>
GROSS PROFIT	2,494,947	40	2,501,940	39
REALIZED (UNREALIZED) INTERCOMPANY GAINS (Note 2)	<u>80</u>	<u>-</u>	<u>(333)</u>	<u>-</u>
ADJUSTED GROSS PROFIT	<u>2,495,027</u>	<u>40</u>	<u>2,501,607</u>	<u>39</u>
OPERATING EXPENSES (Note 18)				
Marketing	615,002	10	649,151	10
Administrative	471,354	8	357,939	6
Research and development	<u>587,950</u>	<u>9</u>	<u>473,572</u>	<u>7</u>
Total operating expenses	<u>1,674,306</u>	<u>27</u>	<u>1,480,662</u>	<u>23</u>
OPERATING INCOME	<u>820,721</u>	<u>13</u>	<u>1,020,945</u>	<u>16</u>
NONOPERATING INCOME AND GAINS				
Interest income	2,002	-	1,665	-
Investment income recognized under the equity method, net (Notes 2 and 9)	4,587	-	14,194	-
Gain on disposal of properties	32,376	1	-	-
Gain on disposal of investments, net	22,409	-	14,666	-
Foreign exchange gain, net (Note 2)	-	-	74,776	1
Rental income	7,702	-	8,168	-
Valuation gain on financial instruments (Notes 2 and 5)	46,732	1	49,121	1
Other income (Notes 6 and 18)	<u>17,188</u>	<u>-</u>	<u>21,940</u>	<u>1</u>
Total nonoperating income and gains	<u>132,996</u>	<u>2</u>	<u>184,530</u>	<u>3</u>

(Continued)

ADVANTECH CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME THREE MONTHS ENDED MARCH 31, 2012 AND 2011 (In Thousands of New Taiwan Dollars, Except Earnings Per Share) (Reviewed, Not Audited)

	2012		2011	
	Amount	%	Amount	%
NONOPERATING EXPENSES AND LOSSES				
Interest expense	\$ 5,151	-	\$ 1,704	-
Loss on disposal of properties	-	-	199	-
Valuation loss on financial instruments (Notes 2 and 5)	19,731	-	44,778	1
Foreign exchange loss, net (Note 2)	26,675	1	-	-
Other expenses	<u>3,127</u>	<u>-</u>	<u>2,873</u>	<u>-</u>
Total nonoperating expenses and losses	<u>54,684</u>	<u>1</u>	<u>49,554</u>	<u>1</u>
INCOME BEFORE INCOME TAX	899,033	14	1,155,921	18
INCOME TAX (Note 2)	<u>148,629</u>	<u>2</u>	<u>252,512</u>	<u>4</u>
CONSOLIDATED NET INCOME	<u>\$ 750,404</u>	<u>12</u>	<u>\$ 903,409</u>	<u>14</u>
ATTRIBUTABLE TO:				
Parent's shareholders	\$ 747,705	12	\$ 900,659	14
Minority interest	<u>2,699</u>	<u>-</u>	<u>2,750</u>	<u>-</u>
	<u>\$ 750,404</u>	<u>12</u>	<u>\$ 903,409</u>	<u>14</u>
	2012		2011	
	Before Income Tax	After Income Tax	Before Income Tax	After Income Tax
EARNINGS PER SHARE (NEW TAIWAN DOLLARS; Note 17)				
Basic	<u>\$ 1.53</u>	<u>\$ 1.35</u>	<u>\$ 1.92</u>	<u>\$ 1.63</u>
Diluted	<u>\$ 1.53</u>	<u>\$ 1.35</u>	<u>\$ 1.92</u>	<u>\$ 1.63</u>

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

(With Deloitte & Touche review report dated April 20, 2012)

(Concluded)

ADVANTECH CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS THREE MONTHS ENDED MARCH 31, 2012 AND 2011 (In Thousands of New Taiwan Dollars) (Reviewed, Not Audited)

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Consolidated net income	\$ 750,404	\$ 903,409
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	114,745	120,624
Amortization of discount on convertible bonds	4,060	-
Allowance for doubtful accounts	4,986	-
Allowance for losses on inventories	25,325	2,005
Loss on disposal of scrap inventories, net	17,866	14,626
Loss (gain) on disposal of properties, net	(32,376)	199
Gain on disposal of investments	(22,409)	(14,666)
Equity in net gain of investees, net	(4,587)	(14,194)
Employee stock option compensation cost	13,079	21,304
Accrued pension liabilities	19,205	11,527
Deferred income taxes	23,473	29,178
Net changes in operating assets and liabilities		
Financial instruments at fair value through profit or loss	(16,566)	37,198
Notes receivable	(20,026)	48,426
Accounts receivable	(222,001)	(915,594)
Accounts receivable from related parties	474	(17,497)
Other receivables	(60,460)	(10,988)
Inventories	126,818	(129,220)
Prepayments and other current assets	48,381	194,930
Accounts payable	511,671	761,860
Income tax payable	31,552	62,621
Accrued expenses	(400,476)	(118,382)
Advance receipts and other current liabilities	16,281	(151,027)
Deferred credits	(80)	(44)
Net cash provided by operating activities	<u>929,339</u>	<u>836,295</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds of capital return on available-for-sale financial assets	-	3,522
Proceeds of the disposal of available-for-sale financial assets	407,627	37,017
Cash proceeds of the acquisition of subsidiaries	3,085	(88,810)
Acquisition of available-for-sale financial assets	(1,181,900)	-
Acquisition of held-to-maturity financial assets	(46,846)	-
Proceeds of disposal of investments accounted for by the equity method	14,503	7,844
Acquisition of properties	(58,357)	(1,621,792)
Proceeds of the disposal of properties	62,547	25,941
Decrease (increase) in refundable deposits	(776)	4,520

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ADVANTECH CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS THREE MONTHS ENDED MARCH 31, 2012 AND 2011 (In Thousands of New Taiwan Dollars) (Reviewed, Not Audited)

	2012	2011
(Increase) decrease in deferred expenses	\$ (30,574)	\$ (3,027)
Increase in other financial assets	<u>(4,684)</u>	<u>-</u>
Net cash used in investing activities	<u>(835,375)</u>	<u>(1,634,785)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in short-term bank loans	(20,014)	804,645
Decrease in long-term bank loans	(396)	(626)
Increase (decrease) in guarantee deposits received	(22)	7,459
Decrease in other liabilities	-	(422)
Proceeds of the exercise of employee stock options	42,644	-
Decrease in minority interest	<u>(4,405)</u>	<u>(13,173)</u>
Net cash provided by financing activities	<u>17,807</u>	<u>797,883</u>
EFFECT OF EXCHANGE RATE CHANGES	<u>(112,753)</u>	<u>51,565</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(982)	50,958
CASH, BEGINNING OF PERIOD	<u>2,523,161</u>	<u>2,288,133</u>
CASH, END OF PERIOD	<u>\$ 2,522,179</u>	<u>\$ 2,339,091</u>
SUPPLEMENTARY CASH FLOW INFORMATION		
Interest paid (excluding capitalized interest)	<u>\$ 5,152</u>	<u>\$ 1,028</u>
Income tax paid	<u>\$ 87,611</u>	<u>\$ 160,713</u>

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ADVANTECH CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS THREE MONTHS ENDED MARCH 31, 2012 AND 2011 (In Thousands of New Taiwan Dollars) (Reviewed, Not Audited)

The fair values of the assets and liabilities of Advansus Corp. as of the date it became a wholly owned subsidiary of Advantech Co., Ltd. in March 2010 are summarized as follows:

Cash	\$ 258,170
Available-for-sale financial assets - current	80,030
Accounts receivable, net	231,215
Inventories, net	249,659
Other current assets	4,008
Properties, net	19,387
Other assets	3,447
Accounts payable	(263,791)
Accrued expenses	(67,201)
Income tax payable	(11,986)
Other current liabilities	<u>(16,800)</u>
Net	486,138
Percentage of equity interest	<u>50%</u>
	243,069
Cost in excess of book value of subsidiary acquired	<u>62,931</u>
Total	306,000
Less: Cash balances of Advansus Corp. (50%)	(129,085)
Less: Acquisition of Advansus Corp. balance due	<u>(180,000)</u>
Cash paid for the acquisition of Advansus Corp.	<u>\$ (3,085)</u>

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

(With Deloitte & Touche review report dated April 20, 2012)

(Concluded)

ADVANTECH CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS THREE MONTHS ENDED MARCH 31, 2012 AND 2011 (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, 2012 and 2011, the Parent Company and the consolidated subsidiaries (collectively, the “Group”) had 5,792 and 5,597 employees, respectively.

2. 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, income tax, etc. 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, 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, 2012 and 2011 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, except those of Advantech Corp., Beijing Yan Hua Xing Ye Electronic Science & Technology Co. (CAN), Ltd., and Shanghai Advantech Intelligent Services Co. (AiSC), Ltd.

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.

The recognition, derecognition and the fair value bases of available-for-sale financial assets are the same as those of financial assets at FVTPL.

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 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 increases as a result of an event which occurred after the impairment loss was recognized, the decrease in impairment loss is reversed to profit.

Held-to-maturity Financial Assets

Held-to-maturity financial assets are carried at amortized cost using the effective interest method (or: Straight-line method can be used if there will be no significant difference). Held-to-maturity financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition. Profit or loss is recognized when the financial assets are derecognized, impaired, or amortized. All regular way purchases or sales of financial assets are accounted for using a trade (or: Settlement) date basis.

An impairment loss is recognized when there is objective evidence that the investment is impaired. The impairment loss is reversed if an increase in the investment's recoverable amount is due to an event which occurred after the impairment loss was recognized; however, the adjusted carrying amount of the investment may not exceed the carrying amount that would have been determined had no impairment loss been recognized for the investment in prior years.

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 Group 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 undergo 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 Group'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 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 Company's equity interests in the investee whose transaction has resulted in gain or loss. 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 two to eight 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 on which the Group has significant influence but over which it has 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.

Convertible Bonds Payable

For convertible bonds issued on or after January 1, 2006, the Parent Company first determines the carrying amount of the liability component by measuring the fair value of a similar liability that does not have an associated equity component, then determines the carrying amount of the equity component, representing the equity conversion option, by deducting the fair value of the liability component from the fair value of the convertible bonds as a whole. The liability component (excluding embedded derivatives) is measured at amortized cost using the effective interest method, while the embedded non-equity derivatives are measured at fair value. Upon bond conversion, the Parent Company uses the aggregate carrying amount of the liability and equity components of the bonds at the time of conversion as a basis to record the common shares issued.

Based on the newly released Statement of Financial Accounting Standards (SFAS) No. 34 - "Financial Instruments: Recognition and Measurement," transaction costs of bonds issued on or after January 1, 2006, net of related income tax benefit, are allocated in proportion to the liability and equity components of the bonds.

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.

Curtailment or settlement gains or losses on the defined benefit plan are recognized as part of the net pension cost for the period.

The subsidiaries based overseas all contribute to pension funds and recognize pension costs based on local government regulations.

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, it is classified as current or noncurrent on the basis of 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, 2011 have been reclassified to be consistent with the presentation of the consolidated financial statements as of and for the three months ended March 31, 2012.

3. ACCOUNTING CHANGES

Financial Instruments

On January 1, 2011, the Group 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 Group 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 Group's accounting treatment for modifications in the terms of its obligations. This accounting change had no significant impact on the Group's financial statements as of and for the three months ended March 31, 2012.

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."

4. CASH

	Three Months Ended March 31	
	2012	2011
Cash on hand	\$ 3,410	\$ 57,521
Checking and demand deposits	2,113,631	2,226,197
Time deposits: Interest - 0.4%-3.1% in 2012 and 0.40%-5.50% in 2011	<u>405,138</u>	<u>55,373</u>
	<u>\$ 2,522,179</u>	<u>\$ 2,339,091</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	
	2012	2011
<u>Financial assets resulting from trading</u>		
Forward contracts	<u>\$ 26,735</u>	<u>\$ 41,585</u>
<u>Financial liabilities resulting from trading</u>		
Forward contracts	<u>\$ 6,481</u>	<u>\$ 67,104</u>

The outstanding forward contracts as of March 31, 2012 and 2011 were as follows:

	Currency	Maturity	Amount (Thousands)
<u>March 31, 2012</u>			
Sell	USD/NTD	April 2012 to July 2012	USD25,517/NTD751,562
Sell	JPY/NTD	April 2012 to May 2012	JPY50,000/NTD19,535
Sell	JPY/USD	April 2012 to May 2012	JPY40,000/USD517
Sell	EUR/USD	April 2012 to July 2012	EUR7,500/USD10,500
Sell	EUR/NTD	April 2012 to July 2012	EUR5,500/NTD220,918
<u>March 31, 2011</u>			
Sell	USD/NTD	April 2011 to February 2012	USD59,518/NTD1,777,690
Sell	JPY/USD	April 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

The Parent Company entered into forward contract transactions in the three months ended March 31, 2012 and 2011 to avoid risks on exchange rate fluctuations. The hedging strategy of the Parent Company is to avoid the major portion of market and liquidity risks.

The trading of financial assets or liabilities in the three months ended March 31, 2012 and 2011 resulted in gains of \$27,001 thousand and \$4,343 thousand, respectively.

6. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Three Months Ended March 31			
	2012		2011	
	Current	Noncurrent	Current	Noncurrent
Mutual funds	\$ 2,021,980	\$ -	\$ -	\$ -
Quoted domestic stocks				
Chunghwa Telecom Co., Ltd.	14,994	453,356	15,110	113,917
ASUSTEK Computer Inc.	-	2,000,872	-	1,607,285
Pegatron Corp.	-	113,047	-	616,527
Aver Information Inc.	24,174	-	-	-
Avalue Technology Co., Ltd.	-	-	-	6,175
Quoted overseas stocks				
SG Advantech Co., Ltd.	-	-	-	14,362
	<u>\$ 2,061,148</u>	<u>\$ 2,567,275</u>	<u>\$ 15,110</u>	<u>\$ 2,358,266</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.

The Parent Company put some of the quoted domestic stocks recorded under available-for-sale-noncurrent in a trust with China Trust Commercial Bank for this bank's use in the securities borrowing and lending transactions. As of March 31, 2012, the stock held in trust amounted to \$2,049,289 thousand. Please refer to Table 3 for more information. From the aforementioned transactions, the Company recognized a gain of \$1,267 thousand as of March 31, 2012 and recorded this gain under other nonoperating income.

7. INVENTORIES, NET

	Three Months Ended March 31	
	2012	2011
Finished goods	\$ 1,022,309	\$ 1,259,563
Work in process	680,431	649,061
Materials and supplies	1,776,039	1,468,333
Inventories in transit	<u>371,165</u>	<u>296,929</u>
	<u>\$ 3,849,944</u>	<u>\$ 3,673,886</u>

As of March 31, 2012 and 2011, the allowances for losses were \$407,512 thousand and \$352,952 thousand, respectively.

The costs of goods sold pertaining to inventories as of March 31, 2011 and 2010 were \$3,772,516 thousand and \$3,994,813 thousand, respectively. In addition, for 2011, the foregoing amounts included an allowance for loss of \$25,325 thousand and a loss of \$17,866 thousand on inventory scrap disposal, and for 2010, the foregoing amounts included an allowance for loss of \$2,005 thousand and a loss of \$14,626 thousand on inventory scrap disposal.

8. HELD-TO-MATURITY FINANCIAL ASSETS

	December 31	
	2012	2011
Structured time deposit	<u>\$ 46,846</u>	<u>\$ -</u>

Structured time deposit held by Beijing Yan Hua Xing Ye Electronic Science & Technology Co., Ltd. (ACN), an indirect subsidiary of the Parent Company are stated as follow:

	Amount	Maturity Date	Interest Rate
Time deposits with fixed interest rate	\$ 46,846	2012.04.25	3.9%

9. FINANCIAL ASSETS CARRIED AT COST

	<u>Three Months Ended March 31</u>	
	2012	2011
Non-publicly traded		
Domestic		
AverMedia Information Inc.	\$ -	\$ 70,331
Foreign		
Coban Research and Technologies, Inc. (US\$1,020 thousand on March 31, 2012 and 2011)	<u>33,257</u>	<u>33,257</u>
	<u>\$ 33,257</u>	<u>\$ 103,588</u>

The shares of Aver Information Inc. (formerly AverMedia Information Inc.) began to be OTC traded in August 2011; thus, the Parent Company's investment in Aver was reclassified to available-for-sale financial assets - current.

The above investments, which had no quoted market prices in an active market and had fair values that could not be reliably measured, were carried at their original cost.

10. LONG-TERM EQUITY INVESTMENTS

	<u>Three Months Ended March 31</u>			
	2012		2011	
	Carrying Value	% of Ownership	Carrying Value	% of Ownership
Listed				
Axiomtek Co., Ltd.	\$ 371,241	28.57	\$ 359,770	27.29
Unlisted				
Jan Hsiang Electronics Co., Ltd.	7,609	28.50	6,410	28.50
Advantech Hungary Ltd.	<u>-</u>	-	<u>13,941</u>	30.00
	<u>\$ 378,850</u>		<u>\$ 380,121</u>	

The calculation of the carrying values of the equity-method investments and the equity in their net income or net loss was based on the investees' unreviewed financial statements for the three months ended March 31, 2012 and 2011.

Changes in goodwill as of March 31, 2012 and 2011 were as follows:

	<u>Three Months Ended March 31</u>	
	2012	2011
Cost		
Balance, beginning of period	\$ 9,942	\$ 10,299
Amount derecognized on disposal of investments	<u>-</u>	<u>(101)</u>
Balance, end of period	<u>\$ 9,942</u>	<u>\$ 10,198</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, 2012 and 2011 were \$506,021 thousand and \$734,627 thousand, respectively.

11. PROPERTIES

Accumulated depreciation was as follows:

	Three Months Ended March 31	
	2012	2011
Buildings	\$ 554,304	\$ 462,792
Machinery and equipment	694,233	560,024
Furniture and fixtures	332,000	256,145
Other equipment	<u>416,855</u>	<u>384,535</u>
	<u>\$ 1,997,392</u>	<u>\$ 1,663,496</u>

12. PROPERTIES LEASED TO OTHERS

	Three Months Ended March 31	
	2012	2011
Cost		
Buildings	\$ 28,852	\$ 27,783
Accumulated depreciation	<u>(10,601)</u>	<u>(9,494)</u>
	<u>\$ 18,251</u>	<u>\$ 18,289</u>

13. SHORT-TERM BANK LOANS

	Three Months Ended March 31	
	2012	2011
Credit loans - interest 1.50% in 2012 and 0.89%-4.30% in 2011	\$ 4,000	\$ 848,218
Secured loans - interest 1.63% in 2012 and 2.07% in 2011	<u>147,428</u>	<u>5,000</u>
	<u>\$ 151,428</u>	<u>\$ 853,218</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, Netstar Technology Co., Ltd., an indirect subsidiary of the Parent Company, obtained a bank credit loan. As of March 31, 2012 and 2011, the loan carrying value were \$4,000 thousand and \$10,000 thousand, respectively.

To meet its financing need, Advantech Technology (China) Company Ltd., an indirect subsidiary of the Parent Company, obtained a bank secured loan. As of March 31, 2012, the loan carrying value was \$147,428 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, 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 \$20,000 thousand for the credit loan and \$5,000 for the secured loan.

14. LONG-TERM BANK LOANS

	Current	Long-term	Total
<u>March 31, 2012</u>			
Mortgage loans	<u>\$ 1,362</u>	<u>\$ 10,894</u>	<u>\$ 12,256</u>
<u>March 31, 2011</u>			
Mortgage loans	<u>\$ 2,500</u>	<u>\$ 18,973</u>	<u>\$ 21,473</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, 2012 and 2011, the carrying values of the loan were \$12,256 thousand and \$21,473 thousand, respectively, and interest rates were 2.29% and 2.10%-2.17%, respectively.

15. BONDS PAYABLE

	<u>Three Months Ended March 31</u>	
	2012	2011
Unsecured domestic convertible bonds	\$ 800,000	\$ -
Deduct: Unamortized discount on bonds payable	<u>(39,609)</u>	<u>-</u>
	<u>\$ 764,391</u>	<u>\$ -</u>

On May 26, 2011, the Parent Company issued three-year unsecured convertible bonds, with an aggregate face value of \$800,000 thousand, a coupon rate of 0% and an effective interest rate of 2.13%. Bondholders may convert the bonds into the Parent Company's common shares at an agreed conversion price between May 27, 2012 and May 16, 2014. If the bonds are not converted, the Parent Company should redeem the bonds at their face value upon maturity. Under Statement of Financial Accounting Standard (SFAS) No. 36 - "Financial Instruments: Disclosure and Presentation," the Parent Company has bifurcated the bonds into their liability and equity components. The bonds had been recorded as stock options from capital surplus amounting to \$44,716 thousand and bonds payable amounting to \$750,943 thousand. As of March 31, 2011, the conversion price was NT\$82.36 per share.

16. 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. Under the revised Company Law issued on January 4, 2012, the foregoing capital surplus may also be distributed in cash.

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, 2012 and 2011, the bonus to employees and remunerations to directors and supervisors were estimated at \$15,000 thousand and \$13,000 thousand, respectively, (classified under accrued expenses) on the basis of past experience. Material differences between these estimates and the amounts proposed by the Board of Directors in the following year are adjusted for in the year of the proposal. 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. Under the revised Company Law issued on January 4, 2012, when the legal reserve has exceeded 25% of the Parent Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

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 2011 was proposed in the Board of Directors' meeting on March 22, 2012 and the appropriation of earnings for 2010 was approved in the shareholders' meeting held on May 25, 2011. The appropriations and dividends per share were as follows:

	<u>Appropriation of Earnings</u>		<u>Dividends Per Share (Dollars)</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Legal reserve	\$ 355,274	\$ 257,319		
Special reserve (reversal)	(76,359)	551,526		
Cash dividends	2,764,981	1,755,718	\$5.0	\$3.5

The bonus to employees and the remuneration to directors and supervisors for 2011, which were proposed in the Board of Directors' meeting on March 22, 2012, and those for 2010, which were approved in the shareholders' meeting on May 25, 2011, were as follows:

	<u>Cash</u>	
	<u>Three Months Ended March 31</u>	
	<u>2011</u>	<u>2010</u>
Bonus to employees	\$ 60,000	\$ 20,000
Remuneration to directors and supervisors	12,000	10,000

There was 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.

At their meeting on May 25, 2011, the Parent Company's shareholders approved the issuance of 50,163 thousand common shares from capital surplus, which amounted to \$501,634 thousand. This issuance was approved by the Financial Supervisory Commission under the Executive Yuan of the ROC. The board of directors resolved July 17, 2011 as the date of issuance, and the Parent Company then completed its revised registration with the Ministry of Economic Affairs.

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 Parent Company and its subsidiaries were granted 3,000 thousand stock options units in July 2010 and 10,000 thousand 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 Parent Company's paid-in capital, the exercise price and the number of options are adjusted accordingly.

Other information on employee stock options is as follows:

	Three Months Ended March 31			
	2012		2011	
	Number of Options (In Thousands)	Weighted- average Exercise Price (NT\$)	Number of Options (In Thousands)	Weighted- average Exercise Price (NT\$)
Balance, beginning of period	11,801	\$60.35	13,000	\$60.35
Options granted	-	-	-	-
Options exercised	<u>836</u>	51.01	<u>-</u>	-
Balance, end of period	<u>10,965</u>	53.20	<u>13,000</u>	-
Options exercisable, end of period	<u>2,715</u>	51.01	<u>-</u>	-
Weighted-average fair value of options granted (NT\$)	<u>\$16.45-\$20.25</u>		<u>\$16.45-\$20.25</u>	

Information on outstanding options as of March 31, 2012 and 2011 is as follows:

	March 31			
	2012		2011	
	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	\$59.03	3.28	\$67.40	4.28
Issuance in 2009	51.01	2.67	58.24	3.67

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 five years.

Compensation costs recognized for the three months ended March 31, 2012 and 2011 were \$13,079 thousand and \$21,304 thousand, respectively.

17. EARNINGS PER SHARE

The numerators and denominators used in calculating the Parent Company's earnings per share (EPS) were as follows:

	Amount (Numerator)		Shares (Denominator) (Thousands)	Earnings Per Share	
	Pretax	After-tax		Pretax	After-tax
Three months ended <u>March 31, 2012</u>					
Basic EPS	\$ 848,611	\$ 747,705	553,363	<u>\$ 1.53</u>	<u>\$ 1.35</u>
Impact of dilutive potential common shares					
Bonuses to employees	<u>-</u>	<u>-</u>	<u>732</u>		
Diluted EPS	<u>\$ 848,611</u>	<u>\$ 747,705</u>	<u>554,095</u>	<u>\$ 1.53</u>	<u>\$ 1.35</u>
Three months ended <u>March 31, 2011</u>					
Basic EPS	\$ 1,057,930	\$ 900,659	551,797	<u>\$ 1.92</u>	<u>\$ 1.63</u>
Impact of dilutive potential common shares					
Bonuses to employees	<u>-</u>	<u>-</u>	<u>330</u>		
Diluted EPS	<u>\$ 1,057,930</u>	<u>\$ 900,659</u>	<u>552,127</u>	<u>\$ 1.92</u>	<u>\$ 1.63</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 Accounting Research and Development Foundation issued Interpretation 2007-052, which requires companies to recognize bonuses paid to employees, directors and supervisors as compensation expenses beginning January 1, 2008. These bonuses were previously recorded as appropriations from earnings. If the Parent Company decides to 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. The 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.

The weighted average number of shares outstanding for EPS calculation had been retroactively adjusted for the issuance of stock from capital surplus. This adjustment caused the basic before and after income tax EPS for the three months ended March 31, 2011 to decrease from NT\$2.11 to NT\$1.92 and from NT\$1.80 to NT\$1.63, respectively, and for the diluted before and after income tax EPS to decrease from NT\$2.11 to NT\$1.92 and from NT\$1.79 to NT\$1.63, respectively.

18. 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 (AHG was fully liquidated during the first quarter of 2012)
Avalue Technology Inc. (“Avalue”)	The Parent Company’s chairman ceased to be Avalue’s director on June 9, 2011
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

b. The significant transactions with the above related parties, in addition to those disclosed in Note 20, are summarized as follows:

	2012		2011	
	Amount	% to Total	Amount	% to Total
<u>For the three months ended March 31</u>				
Sales				
Avalue	\$ -	-	\$ 68,131	1
Axiomtek	4,908	-	7,193	-
Jan Hsiang	-	-	15	-
	<u>\$ 4,908</u>	<u>-</u>	<u>\$ 75,339</u>	<u>1</u>
Purchase of materials and supplies				
Jan Hsiang	\$ 4,388	-	\$ 5,071	-
Axiomtek	53	-	48	-
	<u>\$ 4,441</u>	<u>-</u>	<u>\$ 5,119</u>	<u>-</u>
Operating expenses				
Rental expenses	\$ 1,340	-	\$ 893	-
K&M	873	-	873	-
AIDC	-	-	-	-
	<u>\$ 2,213</u>	<u>-</u>	<u>\$ 1,766</u>	<u>-</u>
Nonoperating income				
Other revenue				
AIDC	\$ 375	-	\$ 375	-
K&M	125	-	125	-
	<u>\$ 500</u>	<u>-</u>	<u>\$ 500</u>	<u>-</u>

Other revenues were from the provision of management services and technical support.

	<u>2012</u>		<u>2011</u>	
	<u>Amount</u>	<u>% to Total</u>	<u>Amount</u>	<u>% to Total</u>
<u>March 31</u>				
Accounts receivable - related parties				
Axiomtek	\$ 2,990	100	\$ 4,480	12
Avalue	-	-	31,805	87
AHG	-	-	396	1
	<u>\$ 2,990</u>	<u>100</u>	<u>\$ 36,681</u>	<u>100</u>
Payables to related parties (part of accounts payable)				
Jan Hsiang	\$ 2,147	-	\$ 2,280	-
Axiomtek	29	-	28	-
	<u>\$ 2,176</u>	<u>-</u>	<u>\$ 2,308</u>	<u>-</u>

c. Security 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.

19. ASSETS PLEDGED OR MORTGAGED

- a. As of March 31, 2012 and 2011, 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>	
	<u>2012</u>	<u>2011</u>
Properties - land	\$ 13,047	\$ 13,047
Properties - buildings	<u>15,834</u>	<u>16,671</u>
	<u>\$ 28,881</u>	<u>\$ 29,718</u>

- b. Shanghai Advantech Intelligent Services Co., Ltd. (AiSC), an indirect subsidiary of the Parent Company, was required to provide a banker's letter of guarantee to a supplier. AiSC offered time deposits of \$4,684 thousand (recorded under other financial assets - current) as collateral.

20. SIGNIFICANT COMMITMENTS AND CONTINGENCIES

- a. As of March 31, 2012, the Parent Company had the following guarantees for affiliates' loans:

	<u>Amount</u>
AKMC	<u>\$ 590,200 thousand</u>
Advantech Fund - A	<u>\$ 300,000 thousand</u>
AiST	<u>\$ 200,000 thousand</u>
Advansus Corp.	<u>\$ 100,000 thousand</u>

(Continued)

	Amount
ACA	<u>\$ 50,000 thousand</u>
Cermate	<u>\$ 40,000 thousand</u>
AAU	<u>\$ 5,902 thousand</u>
A-DLoG	<u>\$ 59,115 thousand</u>
	(Concluded)

- b. As of March 31, 2012 and 2011, the guarantee notes issued by Cermate Technologies Co., Ltd. for its bank loan amounted to \$40,000 thousand and 25,000 thousand, respectively.
- c. As of March 31, 2012, the guarantee notes issued by Netstar Technology Co., Ltd. for its bank loan had amounted to \$48,000 thousand.

21. FINANCIAL INSTRUMENTS

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

	Three Months Ended March 31			
	2012		2011	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<u>Nonderivative financial instruments</u>				
Assets				
Held-to-maturity financial assets - current	\$ 46,846	\$ 46,846	\$ -	\$ -
Available-for-sale financial assets - current	2,061,148	2,061,148	15,110	15,110
Available-for-sale financial assets - noncurrent	2,567,275	2,567,275	2,358,266	2,358,266
Liabilities				
Short-term bank loans	151,428	151,428	853,218	853,218
Long-term bank loans (including current portion)	12,256	12,256	21,473	21,473
Convertible bond payable	764,391	886,884	-	-
<u>Derivative financial instruments location</u>				
Financial assets at fair value through profit or loss - current				
Domestic	2,641	2,641	6,150	6,150
Foreign (including foreign corporations operating locally)	24,094	24,094	35,435	35,435
Financial liabilities at fair value through profit or loss - current				
Domestic	151	151	7,879	7,879
Foreign (including foreign corporations operating locally)	6,330	6,330	59,225	59,225

- 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, refundable deposits, short-term bank loans and accounts payable, 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 that were based on the quoted market prices or on estimates determined using certain valuation techniques were as follows:

<u>Asset</u>	<u>Based on the Quoted Market Price</u>		<u>Determined Using Valuation Techniques</u>	
	<u>March 31</u>		<u>March 31</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Financial assets at fair value through profit or loss - current	\$ -	\$ -	\$ 26,735	\$ 41,585
Held-to maturity financial assets-current	46,846	-	-	-
Available-for-sale financial assets - current	2,061,148	15,110	-	-
Available-for-sale financial assets - noncurrent	2,567,275	2,358,266	-	-
<u>Liabilities</u>				
Financial liabilities at fair value through profit or loss - current	-	-	6,481	67,104
Convertible bonds payable	886,884	-	-	-

- d. As of March 31, 2012 and 2011, on financial instruments exposed to fair value risk from interest rate fluctuations, financial assets amounted to \$456,668 thousand and \$55,373 thousand, respectively; and financial liabilities amounted to \$163,684 thousand and \$874,691 thousand, respectively. As of March 31, 2012 and 2011, financial assets exposed to cash flow interest rate risk amounted to \$1,878,535 thousand and \$1,971,158 thousand, respectively.
- e. The Parent Company recognized an unrealized loss of \$607,886 thousand and an unrealized loss of \$301,249 thousand in shareholders' equity for the changes in fair value of available-for-sale financial assets for the three months ended March 31, 2012 and 2011, respectively. The Parent Company also recognized an unrealized gain of \$407 thousand and an unrealized loss \$12,484 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, 2012 and 2011, 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.

22. ADDITIONAL DISCLOSURES

- a. Except for those mentioned in Note 18 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, 2012, accumulated inward remittance of earnings as of March 31, 2012 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 18 and 20 and Tables 1, 2, 5 and 6.
- c. Intercompany relationships and significant intercompany transactions: Please see Table 10 attached.

23. SEGMENT INFORMATION

a. General information

Segment information is provided to the Group'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, 2012							
	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	\$ 994,718	\$ 2,242,670	\$ 560,102	\$ 1,603,488	\$ 742,197	\$ -	\$ 124,288	\$ 6,267,463
Income from sales between segments	-	-	-	-	-	-	-	-
Interest income	-	-	-	-	-	-	2,002	2,002
Income total	<u>\$ 994,718</u>	<u>\$ 2,242,670</u>	<u>\$ 560,102</u>	<u>\$ 1,603,488</u>	<u>\$ 742,197</u>	<u>\$ -</u>	<u>\$ 126,290</u>	<u>\$ 6,269,465</u>
Interest expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,151	\$ 5,151
Depreciation and amortization	-	-	-	-	-	-	114,745	114,745
Income from equity-method investments	-	-	-	-	-	-	4,587	4,587
Segment profit or loss	<u>\$ 257,495</u>	<u>\$ 441,966</u>	<u>\$ 25,525</u>	<u>\$ 201,756</u>	<u>\$ 72,288</u>	<u>\$ -</u>	<u>\$ (99,997)</u>	<u>\$ 899,033</u>

(Continued)

March 31, 2012								
	Industrial Automation Services	Embedded Boards and Design-in Services	Intelligent Services	Design and Manufacturing Services	Global Customer Services	Other Segments	Reconciliation and Elimination	Total
Investments accounted for by the equity method	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 378,850	\$ 378,850
Capital expense from noncurrent assets	-	-	-	-	-	-	59,462	59,462
Segment assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,339,859</u>	<u>\$ 23,339,859</u>

(Concluded)

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
Segment 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>

The income above was generated from transactions with external customers. There were no sales between segments in the three months ended March 31, 2012 and 2011.

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 Group's chief operating decision maker for allocating resources to the segments and assessing their performance.

24. SIGNIFICANT FOREIGN-CURRENCY FINANCIAL ASSETS AND LIABILITIES

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

	March 31					
	2012			2011		
	Foreign Currencies	Exchange Rate	New Taiwan Dollars	Foreign Currencies	Exchange Rate	New Taiwan Dollars
<u>Financial assets</u>						
Monetary items						
USD	\$ 265,248	29.51	\$ 7,827,468	\$ 198,918	29.40	\$ 5,848,189
RMB	358,128	4.685	1,677,651	277,704	4.511	1,252,723
EUR	4,004	39.41	157,798	5,853	41.71	244,129
KRW	10,010,985	0.026	260,286	6,761,484	0.027	182,560
JPY	612,269	0.359	219,805	437,282	0.355	155,235
AUD	3,323	30.695	101,999	2,664	30.38	80,932

(Continued)

	March 31					
	2012			2011		
	Foreign Currencies	Exchange Rate	New Taiwan Dollars	Foreign Currencies	Exchange Rate	New Taiwan Dollars
<u>Financial liabilities</u>						
Monetary items						
USD	\$ 59,291	29.51	\$ 1,749,677	\$ 54,098	29.40	\$ 1,590,481
RMB	110,108	4.685	515,801	134,049	4.511	604,695
EUR	5,570	39.41	219,514	2,300	41.71	95,933
						(Concluded)

25. PLAN FOR THE ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS

Under Rule No. 0990004943 issued by the Financial Supervisory Commission (FSC) on February 2, 2010, the Group discloses its plan on the adoption of International Financial Reporting Standards (IFRSs) as follows:

- a. On May 14, 2009, the FSC announced the “Framework for the Adoption of International Financial Reporting Standards by Companies in the ROC.” In this framework, starting 2013, companies with shares listed on the Taiwan Stock Exchange (TSE) or traded on the Taiwan GreTai Securities Market or Emerging Stock Market should prepare their financial statements in accordance with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, and the Interpretations as well as related guidances translated by the Accounting Research and Development Foundation (ARDF) and issued by the FSC. To comply with this framework, the Parent Company has set up a project team and made a plan to adopt the IFRSs. The main contents of the plan, responsible department, schedule and status of execution as of December 31, 2011 were as follows:

Contents of Plan	Responsible Department	Status of Execution
1) Establish the IFRSs task force	Finance, information technology, human resources and internal audit divisions	Completed
2) Establish an IFRSs implementation plan	Finance division	Completed
3) Identify the differences between ROC GAAP and IFRSs	Finance division	Completed
4) Identify the consolidated entities under IFRSs	Finance division	Completed
5) Evaluate the impact of optional exemptions under IFRS 1 - “First-time Adoption of International Financial Reporting Standards”	Finance division	Completed
6) Evaluate the possible impact of IFRS adoption on the IT systems	Finance, information technology, human resources and internal audit divisions	Completed

(Continued)

<u>Contents of Plan</u>	<u>Responsible Department</u>	<u>Status of Execution</u>
7) Determine which internal controls may require modification	Finance, information technology, human resources and internal audit divisions	Completed
8) Select accounting policies under the IFRSs that apply to the Parent Company	Finance division	Completed
9) Determine which optional exemptions under IFRS 1 apply to the Parent Company	Finance division	Completed
10) Prepare the opening balance sheet in conformity with IFRSs	Finance division	In progress
11) Prepare comparative financial information under IFRSs for 2012	Finance division	Quarterly completion
12) Complete the modification of relevant internal controls	Finance, information technology, human resources and internal audit divisions	In progress

(Concluded)

b. As of March 31, 2012, the Group had assessed the potential material differences, shown below, between the Republic of China's generally accepted accounting policies (ROC GAAP) and the accounting policies to be adopted under IFRSs:

1) Reconciliation of consolidated balance sheet as of January 1, 2012

<u>R.O.C. GAAP</u>	<u>Effect of Transition to IFRSs</u>		<u>IFRSs</u>	<u>Note</u>		
	<u>Item</u>	<u>Amount</u>			<u>Recognition and Measurement Difference</u>	<u>Presentation Difference</u>
Current assets						
Cash and cash equivalents	\$ 2,523,161	\$ -	\$ (241,882)	\$ 2,281,279	Cash and cash equivalents	g)
Financial assets at fair value through profit or loss	57,204	-	-	57,204	Financial assets at fair value through profit or loss	
Available-for-sale financial assets	873,808	-	-	873,808	Available-for-sale financial assets	
Notes receivable	427,256	-	-	427,256	Notes receivable	
Accounts receivable (total)	3,431,968	-	-	3,431,968	Accounts receivable	
Allowance for doubtful accounts	(50,788)	-	-	(50,788)	-	
Accounts receivable from related parties (net)	3,464	-	-	3,464	Accounts receivable from related parties	
Other receivables	49,335	-	-	49,335	Other receivables	
Other financial assets	-	-	241,882	241,882	Other financial assets	g)
Inventories, net	3,895,123	-	-	3,895,123	Inventories	
Deferred income tax assets - current	74,688	-	(74,688)	-	-	a)
Prepaid expenses and other current assets	166,809	-	49,069	215,878	Other current asset	h), i) and k)
Total current assets	11,452,028	-	(25,619)	11,426,409	Total current assets	
Long-term investments						
Investments accounted for using the equity method	371,010	-	(195)	370,815	Investments accounted for using the equity method	n)
Available-for-sale financial assets	2,309,762	-	33,257	2,343,019	Available-for-sale financial assets	l)
Financial assets carried at cost	33,257	-	(33,257)	-	-	l)
Total long-term investments	2,714,029	-	(195)	2,713,834		

(Continued)

R.O.C. GAAP		Effect of Transition to IFRSs				IFRSs		Note
		Item	Amount	Recognition and Measurement Difference	Presentation Difference			
Properties								
Cost	\$ 7,797,739	\$ 6,011	\$ 128,220	\$ 7,931,970	Cost		h), j) and m)	
Minus: Accumulated depreciation	(1,916,626)	(1,124)	(10,688)	(1,928,438)	Accumulated depreciation		h), j) and m)	
Construction in progress and prepayments for equipment	258,288	-	(258,288)	-	-		k)	
Properties, net	<u>6,139,401</u>	<u>4,887</u>	<u>(140,756)</u>	<u>6,003,532</u>	Property, plant and equipment			
Intangible assets	<u>975,811</u>	<u>(6,762)</u>	<u>5,575</u>	<u>974,624</u>	Intangible assets		e), h) and i)	
Other assets								
Assets leased to others, net	18,918	-	(18,918)	-			m)	
Deferred income tax assets	-	-	60,577	60,577	Deferred income tax assets - noncurrent		a) and b)	
Refundable deposits	40,029	-	-	40,029	Refundable deposits			
Deferred expenses	236,178	-	(236,178)	-	Deferred expenses		h)	
Long-term prepaid expenses	-	-	341,208	341,208	Long-term prepaid expenses		h), i) and k)	
Total other assets	<u>295,125</u>	<u>-</u>	<u>(146,689)</u>	<u>441,814</u>				
Total	<u>\$ 21,576,394</u>	<u>\$ (1,875)</u>	<u>\$ (14,306)</u>	<u>\$ 21,560,213</u>	Total			
Current liabilities								
Short-term loans	\$ 171,442	\$ -	\$ -	\$ 171,442	Short-term loans			
Financial liabilities at fair value through profit or loss	53,516	-	-	53,516	Financial liabilities at fair value through profit or loss			
Accounts payable	1,709,805	-	-	1,709,805	Accounts payable			
Income tax payable	407,157	-	-	407,157	Income tax payable			
Accounts expenses	1,929,701	24,456	-	1,954,157	Accounts expenses		c)	
Accrued expenses and other current liabilities	286,026	-	-	286,026	Accrued expenses and other current liabilities			
Current portion of bonds payable and long-term bank loans	1,584	-	-	1,584	Current portion of bonds payable and long-term bank loans			
Total current liabilities	<u>4,559,231</u>	<u>24,456</u>	<u>-</u>	<u>4,583,687</u>	Total current liabilities			
Long-term liabilities								
Bonds payable	760,331	-	-	760,331	Bonds payable			
Long-term bank loans	11,068	-	-	11,068	Long-term bank loans			
Total long-term liabilities	<u>771,399</u>	<u>-</u>	<u>-</u>	<u>771,399</u>				
Other liabilities								
Accrued pension cost	110,856	67,742	-	173,598	Accrued pension cost		d) and e)	
Guarantee deposits	1,116	-	-	1,116	Guarantee deposit received			
Deferred credits	195	-	(195)	-			n)	
Deferred income tax liabilities - noncurrent	439,234	-	(14,111)	425,123	Deferred income tax liabilities - noncurrent		b)	
Total other liabilities	<u>551,401</u>	<u>62,742</u>	<u>(14,306)</u>	<u>599,837</u>				
Total liabilities	<u>5,882,031</u>	<u>87,198</u>	<u>(14,306)</u>	<u>5,954,923</u>	Total liabilities			
Equity attributable to shareholders of the parent								
Capital stock	5,517,971	-	-	5,517,971	Capital stock			
Advance receipts for common stock	61,161	-	-	61,161	Advance receipts for common stock			
Total capital stock	<u>5,579,132</u>	<u>-</u>	<u>-</u>	<u>5,579,132</u>	Total capital stock			
Capital surplus								
Additional paid-in capital from share issuance in excess of par value	3,751,469	-	-	3,751,469				
From long-term equity investments	59,191	(59,191)	-	-			e)	
Employee stock option	207,039	-	-	207,039				
Total capital surplus	<u>4,017,699</u>	<u>(59,191)</u>	<u>-</u>	<u>3,958,508</u>	Capital surplus			
Retained earnings								
Legal reserve	2,359,911	-	-	2,359,911	Legal reserve			
Special reserve	621,662	-	-	621,662	Special reserve			
Unappropriated earnings	3,561,361	(30,514)	-	3,530,847	Unappropriated earnings		c), d), e), f) and j)	
Total retained earnings	<u>6,542,934</u>	<u>(30,514)</u>	<u>-</u>	<u>6,512,420</u>	Total retained earnings			
Others								
Cumulative translation adjustments	105,408	-	-	105,408	Foreign currency translation reserve			
Unrealized loss on financial instruments	(648,592)	-	-	(648,592)	Unrealized loss on available-for sales financial assets			
Net loss not recognized as pension cost	(2,121)	2,121	-	-	Net loss not recognized as pension cost		e)	
Total others	<u>(545,305)</u>	<u>2,121</u>	<u>-</u>	<u>(543,184)</u>				

(Continued)

R.O.C. GAAP		Effect of Transition to IFRSs			IFRSs		Note
		Item	Amount	Measurement Difference	Presentation Difference	Amount	
Total shareholders' equity of parent company	\$ 15,594,460	\$ (87,584)	\$ -	\$ 15,506,876	Equity attributable to shareholders of the parent		
Minority interest	99,903	(1,489)	-	98,414	Noncontrolling interests	c) and d)	
Total shareholders' equity	<u>15,694,363</u>	<u>(89,073)</u>	<u>-</u>	<u>15,605,290</u>	Total shareholders' equity		
Total	<u>\$ 21,576,394</u>	<u>\$ (1,875)</u>	<u>\$ (14,306)</u>	<u>\$ 21,560,213</u>	Total		

(Concluded)

2) Reconciliation of the consolidated balance sheet as of March 31, 2012

R.O.C. GAAP		Effect of Transition to IFRSs			IFRSs		Note
		Item	Amount	Measurement Difference	Presentation Difference	Amount	
Current assets							
Cash and cash equivalents	\$ 2,522,179	\$ -	\$ (303,675)	\$ 2,218,504	Cash and cash equivalents	g)	
Financial assets at fair value through profit or loss	26,735	-	-	26,735	Financial assets at fair value through profit or loss		
Available-for-sale financial assets	2,061,148	-	-	2,061,148	Available-for-sale financial assets		
Notes receivable	447,282	-	-	447,282	Notes receivable		
Accounts receivable (total)	3,769,576	-	-	3,769,576	Accounts receivable		
Allowance for doubtful accounts	(55,774)	-	-	(55,774)	-		
Accounts receivable from related parties (net)	2,990	-	-	2,990	Accounts receivable from related parties		
Other receivables	109,795	-	-	109,795	Other receivables		
Other financial assets	4,684	-	303,675	308,359	Other financial assets	g)	
Inventories, net	3,849,944	-	-	3,849,944	Inventories		
Deferred income tax assets	64,079	-	(64,079)	-	-	a)	
Held-to-maturity financial assets - current	46,846	-	-	46,846	Held-to-maturity financial assets - current		
Prepaid expenses and other current assets	120,432	-	35,289	155,721	Other current asset	h), i) and k)	
Total current assets	<u>12,969,916</u>	<u>-</u>	<u>(28,790)</u>	<u>12,941,126</u>	Total current assets		
Long-term investments							
Investments accounted for using the equity method	378,850	-	(115)	378,735	Investments accounted for using the equity method	n)	
Available-for-sale financial assets	2,567,275	-	33,257	2,600,532	-	l)	
Financial assets carried at cost	33,257	-	(33,257)	-	-	l)	
Total long-term investments	<u>2,979,382</u>	<u>-</u>	<u>(115)</u>	<u>2,979,267</u>			
Properties							
Cost	7,803,524	6,011	104,098	7,913,633	Property, plant and equipment		
Minus: Accumulated depreciation	(1,997,392)	(1,182)	(16,910)	(2,015,484)	Accumulated depreciation	h), j) and m)	
Construction in progress and prepayments for equipment	247,622	-	(247,622)	-	Construction in progress and prepayments for equipment	k)	
Properties, net	<u>6,053,754</u>	<u>4,829</u>	<u>(160,434)</u>	<u>5,898,149</u>	Property, plant and equipment		
Intangible assets	<u>1,033,243</u>	<u>(6,762)</u>	<u>55,016</u>	<u>1,081,497</u>	Intangible assets	e), h) and i)	
Other assets							
Assets leased to others, net	18,251	-	(18,251)	-	-	m)	
Deferred income tax assets	-	-	58,866	58,866	Deferred income tax assets	a) and b)	
Refundable deposits	41,730	-	0	41,730	Refundable deposits		
Deferred expenses	243,583	-	(243,583)	-	Deferred expenses	h)	
Long-term prepaid expenses	-	-	331,963	331,963	Long-term prepaid expenses	h), i) and k)	
Total other assets	<u>303,564</u>	<u>-</u>	<u>128,995</u>	<u>432,559</u>			
Total	<u>\$ 23,339,859</u>	<u>\$ (1,933)</u>	<u>\$ (5,328)</u>	<u>\$ 23,332,598</u>	Total		

(Continued)

R.O.C. GAAP		Effect of Transition to IFRSs				IFRSs		Note
		Item	Amount	Measurement Difference	Presentation Difference			
Current liabilities								
Short-term loans	\$ 151,428	\$ -	\$ -	\$ 151,428	Short-term loans			
Financial liabilities at fair value through profit or loss	6,481	-	-	6,481	Financial liabilities at fair value through profit or loss			
Accounts payable	2,353,371	-	-	2,353,371	Accounts payable			
Income tax payable	444,702	-	-	444,702	Income tax payable			
Accounts expenses	1,742,826	23,772	-	1,766,598	Accounts expenses	c)		
Accrued expenses and other current liabilities	310,707	-	-	310,707	Accrued expenses and other current liabilities			
Current portion of bonds payable and long-term bank loans	1,362	-	-	1,362	Current portion of bonds payable and long-term bank loans			
Total current liabilities	<u>5,010,877</u>	<u>23,772</u>	<u>-</u>	<u>5,034,649</u>	Total current liabilities			
Long-term liabilities								
Bonds payable	764,391	-	-	764,391	Bonds payable			
Long-term bank loans	10,894	-	-	10,894	Long-term bank loans			
Total long-term liabilities	<u>775,285</u>	<u>-</u>	<u>-</u>	<u>775,285</u>				
Other liabilities								
Accrued pension cost	130,061	67,742	-	192,803	Accrued pension cost	d) and e)		
Guarantee deposits	1,094	-	-	1,094	Guarantee deposits			
Deferred credits	115	-	(115)	-		n)		
Deferred income tax liabilities - noncurrent	452,098	-	(5,213)	446,885	Deferred income tax liabilities - noncurrent	b)		
Total other liabilities	<u>583,368</u>	<u>67,742</u>	<u>(5,328)</u>	<u>640,782</u>				
Total liabilities	<u>6,369,530</u>	<u>86,514</u>	<u>(5,328)</u>	<u>6,450,716</u>	Total liabilities			
Equity attributable to shareholders of the parent								
Capital stock	5,529,961	-	-	5,529,961	Capital stock			
Advance receipts for common stock	8,360	-	-	8,360	Advance receipts for common stock			
Total capital stock	<u>5,538,321</u>	<u>-</u>	<u>-</u>	<u>5,538,321</u>	Total capital stock			
Capital surplus								
Additional paid-in capital from share issuance in excess of par value	3,821,335	-	-	3,821,335				
From long-term equity investments	64,603	(64,603)	-	-		f)		
Employee stock option	233,708	-	-	233,708				
Total capital surplus	<u>4,119,646</u>	<u>(64,603)</u>	<u>-</u>	<u>4,055,043</u>	Capital surplus			
Retained earnings								
Legal reserve	2,359,911	-	-	2,359,911	Legal reserve			
Special reserve	621,662	-	-	621,662	Special reserve			
Unappropriated earnings	4,309,066	(24,472)	-	4,284,594	Unappropriated earnings	c), d), e), f), and j)		
Total retained earnings	<u>7,290,639</u>	<u>(24,472)</u>	<u>-</u>	<u>7,266,167</u>	Total retained earnings			
Others								
Cumulative translation adjustments	(35,297)	-	-	(35,297)	Foreign currency translation reserve			
Unrealized loss on financial instruments	(40,299)	-	-	(40,299)	Unrealized loss from available-for sales financial assets			
Net loss not recognized as pension cost	(2,121)	2,121	-	-	Net loss not recognized as pension cost	e)		
Total others	<u>(77,717)</u>	<u>2,121</u>	<u>-</u>	<u>(75,596)</u>				
Total shareholders' equity of the parent company	16,870,889	(86,953)	-	16,783,936	Equity attributable to shareholders of the parent company			
Minority interest	99,440	(1,494)	-	97,947	Noncontrolling interests	c) and d)		
Total shareholders' equity	<u>16,970,329</u>	<u>(88,447)</u>	<u>-</u>	<u>16,881,882</u>	Total shareholders' equity			
Total	<u>\$ 23,339,859</u>	<u>\$ (1,933)</u>	<u>\$ (5,328)</u>	<u>\$ 23,332,598</u>	Total			

(Concluded)

3) Reconciliation of the consolidated statement of comprehensive income for the three months ended March 31, 2012

R.O.C. GAAP	Effect of Transition to IFRSs			IFRSs		Note	
	Item	Amount	Measurement Difference	Presentation Difference	Amount		Item
Net sales	\$ 6,267,463		\$	\$ (4,908)	\$ 6,262,555	Net sales	n)
Cost of sales	3,772,436	(349)		7,974	3,780,061	Cost of sales	c), n) and o)
Gross profit	<u>2,495,027</u>	<u>(349)</u>		<u>(12,882)</u>	<u>2,482,494</u>	Gross profit	
Operating expenses							
Research and development	587,950	2,081		-	590,031	Research and development expenses	c)
Administrative	471,354	(226)		186	471,314	Administrative expenses	c), j), and m)
Marketing	<u>615,002</u>	<u>(2,136)</u>		<u>(12,882)</u>	<u>599,984</u>	Marketing expenses	c) and o)
Total operating expenses	<u>1,674,306</u>	<u>(281)</u>		<u>(12,696)</u>	<u>1,661,329</u>		
Operating income	<u>820,721</u>	<u>(630)</u>		<u>(186)</u>	<u>821,165</u>	Operating income	
Nonoperating income and gains							
Dividend revenue	-	-		-	-	Dividend revenue	
Investment income recognized under the equity method, net	4,587	-		-	4,587	Equity in earnings of equity method investees, net	
Gain on disposal of properties, net	32,376	-		-	32,376	Gain on disposal of properties, net	
Interest income	2,002	-		-	2,002	Other income	
Gain on disposal of investments, net	22,409	-		-	22,409	Gain on disposal of investments, net	
Rental income	7,702	-		-	7,702	Rental income	
Foreign exchange gain, net	-	-		-	-	Foreign exchange gain, net	
Valuation gain on financial instruments, net	46,732	-		-	46,732	Other gains	
Other income	<u>17,188</u>	<u>-</u>		<u>-</u>	<u>17,188</u>	Other income	
Total operating expenses	<u>132,996</u>	<u>-</u>		<u>-</u>	<u>132,996</u>		
Nonoperating expenses and losses							
Loss on disposal of properties	-	-		-	-	Cost of sales	
Interest expense	5,151	-		-	5,151	Finance cost	
Valuation loss on financial instruments, net	19,731	-		-	19,731	Other gains and losses	
Exchange loss, net	26,675	-		-	26,675	Exchange loss, net	
Other expenses	<u>3,127</u>	<u>-</u>		<u>(186)</u>	<u>2,941</u>	Other gains and losses	m)
Total operating expenses	<u>54,684</u>	<u>-</u>		<u>(186)</u>	<u>54,498</u>		
Income before income tax	899,033	(630)		-	899,663	Income before income tax	
Income tax expense	148,629	-		-	148,629	Income tax expense	
Net income	<u>\$ 750,404</u>	<u>\$ (630)</u>		<u>\$ -</u>	<u>751,034</u>	Net income	
					(140,705)	Foreign currency translation reserve	
					608,293	Unrealized gain from available-for sales financial assets	
					467,588	Other comprehensive income for the period, net of tax effect	
					<u>\$ 1,218,622</u>	Total comprehensive income for the period	

4) Exemptions from IFRS 1

IFRS 1 - "First-time Adoption of International Financial Reporting Standards" ("IFRS 1") states the procedures for the Group's first consolidated financial statements to be prepared in accordance with IFRSs. Under IFRS 1, the Group is required to determine which IFRS accounting policies to use and restate retrospectively its opening balance sheet by applying the IFRSs in force at the date of transition to IFRSs (January 1, 2012; the transition date); The Group may use optional exemptions, but should apply mandatory exemptions, from the general restatement and measurement principles required under IFRS 1. The main optional exemptions the Group adopted are summarized as follows:

Business combinations

The Group elected not to apply IFRS 3 - "Business Combinations" retrospectively to past business combinations made before the date of transition to IFRSs. Thus, the carrying amounts of goodwill, merged assets, liabilities and noncontrolling interest generated from past business combinations shown in the opening IFRS consolidated balance sheet remain the same as those under ROC GAAP as of December 31, 2011.

This exemption also applies to the Group's past investments in associates.

Share-based payment transactions

The Group elected to apply the exemption from the retrospective application of IFRS 2 - "Share-based Payment" to all equity instruments that were granted and vested before the date of transition to IFRSs.

Cost recognition

At the date of transition to IFRSs, the Group should measure property, plant and equipment and intangible properties at cost in accordance with IFRSs. The relevant regulations should be retrospectively adopted.

Employee benefits

The Group elected to recognize all cumulative actuarial gains and losses relating to employee benefits in retained earnings at the date of transition to IFRSs.

The impact of applying the foregoing optional exemptions on the Group is stated in the next section "5. Notes on the reconciliation of the significant differences."

5) Notes on the reconciliation of the significant differences between ROC GAAP and the IFRSs

As of March 31, 2012, the Group had assessed the material differences, shown below, between the Republic of China's generally accepted accounting policies (ROC GAAP) and the accounting policies to be adopted under IFRSs:

a) Recognition of deferred tax assets, classification of the deferred income tax asset or liability and the valuation allowance account

Under ROC GAAP, deferred tax assets are recognized in full but are reduced by a valuation allowance account if it is more likely than not that a portion of or all the deferred tax assets will not be realized. However, under IFRSs, an entity recognizes deferred tax assets only when it is probable that taxable profits will be available against which the deferred tax assets can be used; thus, a valuation allowance account is not used.

Also, under ROC GAAP, a deferred income tax asset or liability should be classified as current or noncurrent in accordance with the related asset or liability for financial reporting. However, if a deferred income tax asset or liability is not related to an asset or liability for financial reporting, it should be classified as current or noncurrent in accordance with the expected reversal or realization date of the temporary difference. In contrast, under IFRSs, a deferred income tax asset or liability is always classified as noncurrent.

As of March 31, 2012 and January 1, 2012, the Group had reclassified the deferred income tax asset-current amounting to NT\$64,079 thousand and NT\$74,688 thousand, respectively to deferred income tax assets - noncurrent.

b) Offsetting between deferred tax assets/liabilities

Under ROC GAAP, the Group's deferred current tax assets should be offset against deferred tax liability - current. The same rule applies to deferred tax asset/liability - noncurrent. Under IFRSs, an entity may offset current tax assets and current tax liabilities, or offset deferred tax assets and deferred tax liabilities, only when it has a legally enforceable right to make this offset and it intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

As of March 31, 2012 and January 1, 2012, the results of the offset of the Group's deferred tax assets and deferred tax liabilities were NT\$5,213 thousand and NT\$14,111 thousand, respectively.

c) Employee benefits - short-term cumulative compensated absences

Under ROC GAAP, there are no specific requirements for recognizing compensated absences, such as paid vacation and sick leaves. Companies usually recognize the related costs when the employees actually go on leave. Under IFRSs, the expected cost of short-term cumulative compensated absences should be recognized as the employees render services that increase their entitlement to these compensated absences.

As of March 31, 2012 and January 1, 2012, the Group's reclassification adjustment of short-term cumulative compensated absences resulted in expense payable increases of NT\$23,772 thousand and NT\$24,456 thousand, respectively. Also, as of March 31, 2012 and January 1, 2012, the totals of retained earnings and minority interest were adjusted for decreases of NT\$24,440 thousand and NT\$16 thousand. For the three months ended March 31, 2012, salary expense and minority interest were adjusted for decreases of NT\$688 thousand and NT\$4 thousand, respectively.

d) Employee benefits - actuarial gains and losses

Under ROC GAAP, the recognition of actuarial gains and losses should be accounted for under the corridor approach, which results in the deferral of gains and losses. The corridor approach requires the amortization of actuarial gains and losses over the expected average remaining service years of the participating employees. Under IFRSs, IAS No. 19 - "Employee Benefits," the Company elects to recognize immediately all actuarial gains and losses as other comprehensive income in the period in which they occur. A subsequent reclassification of these actuarial gains and losses to earnings is not permitted.

As of March 31, 2012 and January 1, 2012, the Company elected to recalculate all cumulative actuarial gains and losses relating to employee benefits at the date of transition to IFRSs. In accordance with IFRSs 1 - "First-time Adoption of International Financial Reporting Standards," the adjustment of IFRSs resulted in an increase in accrued pension liabilities by NT\$69,953 thousand, and decreases in retained earnings and minority interest by NT\$68,480 thousand and NT\$1,473 thousand, respectively.

e) Employee benefits-Minimum pension liability

Under ROC GAAP, the minimum pension liability to be recognized is the minimum amount of pension liabilities that should be recognized on the balance sheet. If the accrued pension liability is lower than the minimum, the shortfall is recognized by crediting accrued pension liability.

Under IFRSs, there are no regulations on minimum pension liability. Nevertheless, for both period-end dates of March 31, 2012 and January 1, 2012, accrued pension liabilities, deferred pension cost and retained earnings were adjusted for decreases of NT\$7,211 thousand, NT\$6,762 thousand and NT\$1,672 thousand, respectively, and as a result of these decreases, net loss not recognized as pension cost was adjusted for an increase of NT\$2,121 thousand.

- f) Parent Company's accounting treatment for changes in carrying values of equity-method investments due to its not subscribing proportionally to the additional shares issued by the investees and the related adjustment of capital surplus - long-term equity investment.

Under ROC GAAP, if an investee issues new shares and the investor does not buy new shares proportionately, the investor should recognize a change in its percentage of ownership. Thus, "capital surplus - long-term equity investments" and "investments accounted for by the equity method" should be adjusted.

Under IFRSs, any changes in equity interests without the loss of significant influence on non-majority-owned investees will be recognized as a deemed acquisition or a deemed disposal of the investees' shares, and any equity changes without the loss of significant control over subsidiaries will be deemed as equity transactions of the subsidiaries, not the Parent Company. In addition, based on the "Q&A Regarding the Adoption of IFRSs" issued by the Taiwan Stock Exchange, capital surplus not comply with the IFRSs or is not covered by the Company Law and the legal interpretations of the Ministry of Economic Affairs, R.O.C., should be adjusted accordingly at the date of transition to IFRSs.

As of March 31, 2012 and January 1, 2012, compliance with the IFRSs resulted in decreases in the Group's "capital surplus - long term investments" of NT\$64,603 thousand and NT\$59,191 thousand, respectively, and increases in retained earnings of NT\$64,603 thousand and NT\$59,191 thousand, respectively.

- g) Time deposit maturity of more than three months

Under ROC GAAP, the term "cash" used in the financial statements includes cash on hand, demand deposits, check deposits, time deposits that are cancellable but without any loss of principal and negotiable certificates of deposit that are readily salable without any loss of principal. However, under IFRSs, cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. An investment normally qualifies as a cash equivalent only when it has a short maturity of three months or less from the date of acquisition. Thus, certificates of deposit held by the Group for investment purposes and with maturities of more than three months from the date of investment were reclassified to other financial assets.

As of March 31, 2012 and January 1, 2012, the reclassification adjustment resulted in an increase in other financial assets by NT\$303,675 thousand and NT\$241,882 thousand, respectively.

- h) The classification of deferred expenses

Under ROC GAAP, deferred expenses are recorded under other assets. Under IFRSs, the Group reclassified deferred expenses to fixed assets, intangible assets, prepaid expenses, or long-term prepaid expenses in accordance with their nature.

As of March 31, 2012, the Group had reclassified deferred expenses to fixed assets, intangible assets, prepaid expenses, or long-term prepaid expenses amounting to NT\$68,937 thousand, NT\$152,800 thousand, NT\$16,696 thousand, and NT\$5,150 thousand, respectively.

As of January 1, 2012, the Group had reclassified deferred expense to fixed assets, intangible assets, prepaid expenses, or long-term prepaid expenses amounting to NT\$98,614 thousand, NT\$106,532 thousand, NT\$24,867 thousand, and NT\$6,165 thousand, respectively.

i) Superficies

Under ROC GAAP, superficies are recorded under intangible assets. Under IFRSs, superficies are recorded under prepayment for lease in accordance with IAS 17 - "Leases."

As of March 31, 2012, prepayment for lease-current (recorded under other current assets) and the prepayment for lease-noncurrent (recorded under long-term prepayment) were adjusted for increases of NT\$2,398 thousand and NT\$95,386 thousand, respectively.

As of January 1, 2012, the prepayment for lease-current (recorded under other current assets) and the prepayment for lease-noncurrent (recorded under long-term prepayment) were amounted to NT\$2,461 thousand and NT\$98,496 thousand, respectively.

j) Capitalization of superficies

Under ROC GAAP, amortization of superficies during the period of constructing factories should be recognized as current expense. Under IFRSs, the amortization expense during the construction period in which the asset is expected to contribute to the company's revenue-generating activities should be capitalized.

As of March 31, 2012 and January 1, 2012, based on the accounting treatment for the capitalization of superficies, the fixed assets were adjusted for an increase of NT\$4,829 thousand and NT\$4,887 thousand, and the retained earnings for both period-end dates were adjusted for an increase of NT\$4,887 thousand. For the three months ended March 31, 2012, the depreciation expense was adjusted for an increase of NT\$58 thousand.

k) Classification of the prepayments for equipment

Under ROC GAAP, the prepayments for equipment are usually recorded under fixed assets. Under IFRSs, prepayments for equipment are usually recorded under prepayments or long-term prepayments.

As of March 31, 2012, based on the nature of the prepayments for equipment, the Group reclassified prepayments for equipment to prepayment (recorded under other current assets) and long-term prepayments amounting to NT\$16,195 thousand and NT\$231,427 thousand, respectively.

As of January 1, 2012, based on the nature of the prepayments for equipment, the Group reclassified prepayments for equipment to prepayment (recorded under other current assets) and long-term prepayments amounting to NT\$21,741 thousand and NT\$236,547 thousand, respectively.

l) Financial assets carried at cost

Under Regulations Governing the Preparation of Financial Reports by Securities Issuers, the non-publicly traded stocks, stocks not traded in the Emerging Stock Market and other investments in which the investor has no significant influence over the investees should be recognized as financial assets carried at cost.

Under IFRSs, financial instruments that are deemed available for sale or undesignated financial assets measured at fair value in profit or loss should be classified as available-for-sale and measured at fair value.

As of March 31, 2012 and January 1, 2012, the Group reclassified financial assets carried at cost to available for sale financial assets, which amounted to NT\$33,257 thousand.

m) The classification of assets leased to others

Under IFRSs, assets leased to others are classified as property, plant and equipment. Based on an IAS 40 - "Investment Property," investment properties refer to properties held by the entity to earn rental revenue or in an anticipation of a capital gain. The Parent Company's factories leased to suppliers of subsidiaries are not considered investment properties since these cannot be sold separately and comprise only an insignificant portion of the plant.

As of March 31, 2012 and January 1, 2012, the amounts reclassified from leased assets to property, plant and equipment were NT\$18,251 thousand and NT\$18,918 thousand, respectively.

n) Investments in associates - unrealized profits from downstream transactions

Under ROC GAAP, unrealized profits from downstream transactions with non-majority-owned equity-method investees are deferred proportionately and recognized as deferred credits. Under IFRSs, unrealized profits from downstream transactions are recorded under investments in associates.

As of March 31, 2012 and January 1, 2012, the Group reclassified deferred credits of NT\$115 thousand and NT\$195 thousand, respectively, to investments accounted for by the equity method.

For the three months ended March 31, 2012, the Group's unrealized gross profit and loss on downstream transactions are adjusted for decreases in the operating revenue and operating cost of NT\$4,908 thousand.

o) Reclassification of line items in the consolidated statement of comprehensive income

Under the IFRSs, based on the nature of operating transactions, the Group reclassified RMA (return merchandise authorization) in warranty cost of NT\$12,882 thousand to cost of goods sold.

- c. The Group's aforementioned assessment is based on the 2010 version of IFRSs translated by ARDF and the Guidelines Governing the Preparation of Financial Reports by Securities Issuers issued by FSC on December 22, 2011. However, the assessment result may be impacted as the FSC may issue new rules governing the adoption of IFRSs, and as other laws and regulations may be amended to comply with the adoption of IFRSs. Actual results may differ from these assessments.

ADVANTECH CO., LTD. AND SUBSIDIARIES

FINANCING PROVIDED
THREE MONTHS ENDED MARCH 31, 2012
(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	\$ 19,705 (EUR 500 thousand)	\$ 19,705 (EUR 500 thousand)	4.0%	Short-term financing	\$ -	Financing need	\$ -	-	-	\$ 1,687,089 (Note B)	\$ 3,374,178 (Note B)
2	ANA	AKMC	Other receivable - related parties	165,256 (US\$ 5,600 thousand)	159,354 (US\$ 5,400 thousand)	2.0%	Short-term financing	-	Financing need	-	-	-	1,687,089 (Note B)	3,374,178 (Note B)
3	AiSC	ACN	Other receivable - related parties	188,945 (RMB 40,334 thousand)	188,945 (RMB 40,334 thousand)	2.0%	Short-term financing	-	Financing need	-	-	-	234,225 (Note C)	234,225 (Note C)
4	Broadwin Technology Inc.	Netstar Technology Co., Ltd.	Other receivable - related parties	20,000	-	2.0%	Short-term financing	-	Financing need	-	-	-	29,300 (Note D)	29,300 (Note D)
5	Advantech Fund-A	Advantech Co., Ltd. (the "Company")	Other receivable - related parties	300,000	-	1.2%	Short-term financing	-	Financing need	-	-	-	345,886 (Note D)	345,886 (Note D)

Notes: A. The exchange rates as of March 31, 2012 were EUR1.00=NT\$39.41; US\$1.00=NT\$29.51; RMB1.00= NT\$4.6845.

B. The maximum amount of financing and the maximum amount of financing to individual counter-party that is not based in Taiwan that can be provided by the financier are 20% and 10% of the financier's net asset value, respectively.

C. The maximum amount of financing that can be provided by the financier is RMB50,000 thousand. For more efficient use of capital by the subsidiaries in Mainland China, the financing is deposited to a special capital-financing bank account in Citibank and is managed by ACN.

D. The maximum amount for a counter-party based in Taiwan is 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, 2012

(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	\$ 1,687,089 (Note A)	\$ 590,200 (US\$ 20,000 thousand)	\$ 590,200 (US\$ 20,000 thousand)	\$ -	3.78%	\$ 5,061,267 (Note B)
		AiST	Equity-method investee	1,687,089 (Note A)	200,000	200,000	-	1.28%	5,061,267 (Note B)
		Advansus Corp.	Equity-method investee	1,687,089 (Note A)	100,000	100,000	-	0.64%	5,061,267 (Note B)
		Cermate Technologies Inc.	Equity-method investee	1,687,089 (Note A)	40,000	40,000	-	0.26%	5,061,267 (Note B)
		Advantech Fund-A	Equity-method investee	1,687,089 (Note A)	300,000	300,000	-	1.92%	5,061,267 (Note B)
		ACA	Equity-method investee	1,687,089 (Note A)	50,000	50,000	-	0.32%	5,061,267 (Note B)
		AAU	Equity-method investee	1,687,089 (Note A)	5,902 (US\$ 200 thousand)	5,902 (US\$ 200 thousand)	-	0.04%	5,061,267 (Note B)
		A-DLoG	Indirect subsidiary	1,687,089 (Note A)	59,115 (EUR 500 thousand)	59,115 (EUR 500 thousand)	-	0.38%	5,061,267 (Note B)
1	AAC (HK)	AiSC	Equity-method investee	1,687,089 (Note A)	584,017 (RMB 124,670 thousand)	584,017 (RMB 124,670 thousand)	-	3.75%	5,061,267 (Note B)

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

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

C. The exchange rates as of March 31, 2012 were US\$1.00=NT\$29.51; RMB1.00=NT\$4.6845; EUR1.00=NT\$39.41.

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

TABLE 3

ADVANTECH CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES AND LONG-TERM INVESTMENTS

MARCH 31, 2012

(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, 2012				Note	
				Shares	Carrying Value	Percentage of Ownership	Market Value or Net Asset Value		
Advantech Co., Ltd.	<u>Stock</u>								
	AAC (BVI)	Subsidiary	Long-term equity investments	29,623,834	\$ 2,396,813	100.00	\$ 2,398,615	Note A	
	ATC	"	"	38,750,000	2,708,416	100.00	2,722,997	Note A	
	Advansus Corp.	"	"	36,000,000	537,369	100.00	553,890	Note A	
	Advantech Fund-A	"	"	90,000,000	863,196	100.00	864,714	Note A	
	Axiomtek	Equity-method investee	"	20,537,984	334,475	26.55	334,475	Note A	
	AEUH	Subsidiary	"	9,572,024	932,289	100.00	932,289	Note A	
	ASG	"	"	1,450,000	106,200	100.00	106,200	Note A	
	AAU	"	"	500,204	75,899	100.00	75,899	Note A	
	AJP	"	"	1,200	182,622	100.00	182,622	Note A	
	AMY	"	"	2,000,000	40,486	100.00	40,486	Note A	
	AKR	"	"	600,000	147,104	100.00	147,104	Note A	
	ABR	"	"	971,055	26,963	43.28	26,963	Note A	
	AiST	"	"	5,000,000	80,939	100.00	80,939	Note A	
	ACA	"	"	7,948,839	227,499	99.36	227,499	Note A	
	AHK	"	"	Other liability - others	999,999	(156)	100.00	(156)	Notes A and C
	ASUSTek Computer Inc.	-	-	Available for sale financial assets - noncurrent	7,184,461	2,000,872	0.95	2,000,872	Notes B and E
	Pegatron Corp	-	-	"	9,855,570	453,356	0.44	453,356	Notes B and F
	Chunghwa Telecom Co., Ltd.	-	-	"	1,243,636	113,047	0.02	113,047	Notes B and G
	<u>Fund</u>								
		Eastspring Inv Well Pool Money Market	-	Available for sale financial assets - current	21,349,659.36	280,385	-	280,385	Note D
		FSITC Money Market	-	"	1,626,545.40	280,402	-	280,402	Note D
		Fuh Hwa Money Market	-	"	18,623,727.60	260,322	-	260,322	Note D
Mega Diamond Money Market		-	"	19,195,821.40	232,051	-	232,051	Note D	
Taishin 1699 Money Market		-	"	21,464,632.66	280,268	-	280,268	Note D	
Advantech Fund-A	<u>Stock</u>								
	Netstar Technology Co., Ltd.	Subsidiary	Long-term equity investments	23,013,118	216,694	92.05	216,694	Note A	
	BCM Embedded Computer Inc.	"	"	4,500,000	17,979	100.00	17,979	Note A	
	Broadwin Technology Inc.	"	"	6,777,571	148,469	100.00	148,469	Note A	
Cermate Technologies Inc.	"	"	5,500,000	84,365	55.00	84,365	Note A		

(Continued)

Company Holding the Securities	Securities Type and Issuer	Relationship with the Holding Company	Financial Statement Account	March 31, 2012				Note
				Shares	Carrying Value	Percentage of Ownership	Market Value or Net Asset Value	
	Axiomtek	Equity-method investee	"	1,559,000	\$ 36,766	2.02	\$ 36,766	Note A
	Chunghwa Telecom Co., Ltd.	-	Available for sale financial assets - current	164,952	14,994	0.002	14,994	Note B
	AverMedia Information Inc.	-	Available for sale financial assets - current	808,500	24,174	0.98	24,174	Note B
	COBAN Research and Technologies, Inc.	-	Financial assets carried at cost - noncurrent	600,000	33,257	6.85	33,257	-
	<u>Fund</u> Eastspring Inv Well Pool Money Market	-	Available for sale financial assets - current	7,632,247.80	100,274	-	100,274	Note D
	FSITC Money Market	-	"	581,523.83	100,248	-	100,248	Note D
	Fuh Hwa Money Market	-	"	6,346,359.90	88,771	-	88,771	Note D
Advansus Corp.	<u>Fund</u> FSITC Money Market	-	Available for sale financial assets - current	987,385.91	170,233	-	170,233	Note D
AiST	<u>Fund</u> FSITC Money Market	-	Available for sale financial assets - current	290,773.75	50,126	-	50,126	Note D
	Fuh Hwa Money Market	-	"	2,581,311.30	36,101	-	36,101	Note D
ATC	<u>Stock</u> ATC (HK)	Subsidiary	Long-term equity investments	41,650,001	1,800,317	100.00	1,800,317	Note A
ATC (HK)	<u>Stock</u> AKMC	Subsidiary	Long-term equity investments	-	1,800,317	100.00	1,800,317	Note A
AAC (BVI)	<u>Stock</u> ANA	Subsidiary	Long-term equity investments	10,952,606	1,268,009	100.00	1,268,009	Note A
	AAC (HK)	"	"	15,230,001	1,130,056	100.00	1,130,056	Note A
ANA	<u>Stock</u> ABR	-	Financial assets carried at cost - noncurrent	375,192	5,675	16.72	5,675	-
AAC (HK)	<u>Stock</u> ACN	Subsidiary	Long-term equity investments	-	608,434	100.00	608,434	Note A
	SHHQ	"	"	-	-	-	-	Note A
	AiSC	"	"	-	528,490	100.00	528,490	Note A
	AXA	"	"	-	(7,568)	100.00	(7,568)	Note A
ACN	<u>Stock</u> Hangzhou Advantofine Automation Co., Ltd.	"	"	-	16,304	60.00	16,304	Note A

(Continued)

Company Holding the Securities	Securities Type and Issuer	Relationship with the Holding Company	Financial Statement Account	March 31, 2012				Note
				Shares	Carrying Value	Percentage of Ownership	Market Value or Net Asset Value	
AEUH	<u>Stock</u> AEU	Subsidiary	"	8,314,280	\$ 141,053	100.00	\$ 141,053	Note A
	APL	"	"	7,030	36,863	100.00	36,863	Note A
	A-DLoG	"	"	1	610,266	100.00	610,266	Note A
AEU	<u>Stock</u> Innocore	"	"	251,111	151,670	100.00	151,670	Note A
Innocore	<u>Stock</u> IGL	"	"	501,000	44,138	100.00	44,138	Note A
ASG	<u>Stock</u> ATH	"	"	51,000	17,676	51.00	17,676	Note A
Netstar Technology Co., Ltd.	<u>Stock</u> Jan Hsiang Electronics Co., Ltd.	"	"	655,500	7,609	28.50	7,609	Note A
Cermate Technologies Inc.	<u>Stock</u> Land Mark	Subsidiary	"	972,284	45,898	100.00	45,898	Note A
BCM Embedded Computer Inc.	<u>Fund</u> FSITC Money Market	-	Available for sale financial assets - current	61,033.03	10,521	-	10,521	Note D
Broadwin Technology Inc.	<u>Fund</u> Fuh Hwa Money Market	-	Available for sale financial assets - current	1,183,363.40	16,548	-	16,548	Note D
	FSITC Money Market	-	"	206,795.39	35,651	-	35,651	Note D
Land Mark	<u>Stock</u> Cermate (Shanghai)	"	Long-term equity investments	-	23,418	100.00	23,418	Note A
	Cermate (Shenzhen)	"	"	-	22,695	90.00	22,695	Note A
ACA	<u>Fund</u> Union Money Market	-	Available for sale financial assets - current	1,569,883.36	20,021	-	20,021	Note D
	Taishin 1699 Money Market	-	"	5,496,820.87	60,058	-	60,058	Note D

Note A: The financial statements used as basis of net asset values were not reviewed by CPA, except those of ACN, ANA and AiSC.

Note B: Market value was based on the closing price on March 31, 2012.

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

Note D: Market value was based on the net asset values of the open-end mutual funds on the balance sheet date.

Note E: The amount included \$1,503,900 thousand, the carrying value of 5,400,000 shares held in trust with China Trust Commercial Bank. Please refer to Note 6 of the financial statements for more information.

Note F: The amount included \$432,400 thousand, the carrying value of 9,400,000 shares held in trust with China Trust Commercial Bank. Please refer to Note 6 of the financial statements for more information.

Note G: The amount included \$112,989 thousand, the carrying value of 1,243,000 shares held in trust with China Trust Commercial Bank. Please refer to Note 6 of the financial statements for more information.

(Concluded)

ADVANTECH CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
THREE MONTHS ENDED MARCH 31, 2012
(In Thousands of New Taiwan Dollars)

Company Holding the Securities	Securities Type and Name/Issuer	Financial Statement Account	Counter-party	Nature of Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Shares	Amount	Shares	Amount	Shares	Amount	Carrying Value	Gain (Loss) on Disposal	Shares	Amount
Advantech Co., Ltd. (the "Company")	<u>Fund</u> Eastspring Inv Well Pool Money Market	Available for sale financial assets - current	-	-	7,633,879.00	\$ 100,065	13,715,780.20	\$ 180,000	-	\$ -	\$ -	\$ -	21,349,659.36	\$ 280,385
	FSITC Money Market	Available for sale financial assets - current	-	-	959,093.15	165,024	704,052.28	121,300	36,600.03	6,300	6,295	5	1,626,545.40	280,402
	Fuh Hwa Money Market	Available for sale financial assets - current	-	-	7,171,749.00	100,060	11,451,978.60	160,000	-	-	-	-	18,623,727.60	260,322
	Mega Diamond Money Market	Available for sale financial assets - current	-	-	-	-	19,195,821.40	232,000	-	-	-	-	19,195,821.40	232,051
	Taishin 1699 Money Market	Available for sale financial assets - current	-	-	-	-	21,464,632.66	280,000	-	-	-	-	21,464,632.66	280,268
	<u>Stock</u> Advansus Corp.	Investment accounted for by the equity method	Pegatron Corp.	-	18,000,000.00	228,914	18,000,000.00	306,000 (Note)	-	-	-	-	36,000,000.00	537,369

Note: The Company acquired 50% of Advansus Corp. from Pegatron Corp. for \$306,000 thousand (i.e. at NT\$17 per share). As of March 31, 2012, the Company had paid \$126,000 thousand, and will pay the balance on June 30, 2012.

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, 2012
 (In Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Payable or Receivable		Note
			Purchase/ (Sale)	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
Advantech Co., Ltd.	ANA	Indirect subsidiary	(Sale)	\$ (1,296,098)	30.27	45 days after month end	Contract price	No significant difference from terms for related parties	\$ 448,989	13.55	
	AEU	Indirect subsidiary	(Sale)	(547,444)	12.78	45 days after month end	Contract price	No significant difference from terms for related parties	843,133	25.44	
	ACN	Indirect subsidiary	(Sale)	(414,744)	9.69	45 days after month end	Contract price	No significant difference from terms for related parties	458,159	13.83	
	AiSC	Indirect subsidiary	(Sale)	(348,469)	8.14	45 days after month end	Contract price	No significant difference from terms for related parties	460,384	13.89	
	AKMC	Indirect subsidiary	(Sale)	(130,582)	3.05	45 days after month end	Contract price	No significant difference from terms for related parties	-	0.00	
	AKR	Subsidiary	(Sale)	(103,001)	2.41	45 days after month end	Contract price	No significant difference from terms for related parties	56,503	1.70	
	ATC	Subsidiary	Purchase	1,663,377	51.60	45 days after month end	Contract price	No significant difference from terms for related parties	(1,494,367)	61.41	
	ACA	Subsidiary	Purchase	378,870	11.75	30 days after month end	Contract price	No significant difference from terms for related parties	(83,554)	3.43	
	Advansus Corp.	Subsidiary	Purchase	154,869	4.80	30 days after month end	Contract price	No significant difference from terms for related parties	(114,080)	4.69	
ATC	Advantech Co., Ltd.	Ultimate parent company	(Sale)	(1,663,377)	99.73	45 days after month end	Contract price	No significant difference from terms for related parties	1,494,367	98.01	
Advansus Corp.	Advantech Co., Ltd.	Ultimate parent company	(Sale)	(154,869)	26.80	30 days after month end	Contract price	No significant difference from terms for related parties	114,080	30.82	
ACA	Advantech Co., Ltd.	Ultimate parent company	(Sale)	(378,870)	65.57	30 days after month end	Contract price	No significant difference from terms for related parties	83,554	37.56	
ANA	Advantech Co., Ltd.	Ultimate parent company	Purchase	1,296,098	86.06	45 days after month end	Contract price	No significant difference from terms for related parties	(448,989)	85.21	
AEU	Advantech Co., Ltd.	Ultimate parent company	Purchase	547,444	81.73	45 days after month end	Contract price	No significant difference from terms for related parties	(843,133)	100.00	
ACN	Advantech Co., Ltd.	Ultimate parent company	Purchase	414,744	66.86	45 days after month end	Contract price	No significant difference from terms for related parties	(458,159)	60.38	
AKMC	Advantech Co., Ltd.	Ultimate parent company	Purchase	130,582	9.21	45 days after month end	Contract price	No significant difference from terms for related parties	-	0.00	
AiSC	Advantech Co., Ltd.	Ultimate parent company	Purchase	348,469	61.84	45 days after month end	Contract price	No significant difference from terms for related parties	(460,384)	76.16	
AKR	Advantech Co., Ltd.	Ultimate parent company	Purchase	103,001	54.06	45 days after month end	Contract price	No significant difference from terms for related parties	(56,503)	85.26	
Advansus Corp.	AKMC	Related enterprise	(Sale)	(161,578)	4.63	30 days after month end	Markup pricing	No significant difference from terms for related parties	83,506	22.56	

(Continued)

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	
AKMC	ATC	Related enterprise	(Sale)	\$ (1,419,423)	93.97	Next 30 days after month end	Markup pricing	No significant difference from terms for related parties	\$ 573,200	90.39	
ACA	AKMC	Related enterprise	(Sale)	(156,373)	10.35	45 days after month end	Markup pricing	No significant difference from terms for related parties	96,825	4.35	
AKMC	Advansus Corp.	Related enterprise	Purchase	161,578	11.72	30 days after month end	Markup pricing	No significant difference from terms for related parties	(83,506)	7.60	
	ACA	Related enterprise	Purchase	156,373	11.02	45 days after month end	Markup pricing	No significant difference from terms for related parties	(96,825)	8.81	
ATC	AKMC	Related enterprise	Purchase	1,419,423	99.95	Next 30 days after month end	Markup pricing	No significant difference from terms for related parties	(573,200)	97.69	

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

(Concluded)

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, 2012

(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	\$ 843,133	2.64	\$ -	-	\$ 85,336	\$ -
	AiSC	Indirect subsidiary	460,384	3.17	-	-	75,528	-
	ACN	Indirect subsidiary	458,159	3.52	-	-	75,000	-
	ANA	Indirect subsidiary	448,989	10.90	-	-	322,253	-
ATC	Advantech Co., Ltd.	Parent company	1,494,367	5.02	-	-	526,594	-
Advansus Corp.	Advantech Co., Ltd.	Parent company	114,080	6.98	-	-	55,972	-
AKMC	ATC	Related enterprise	573,200	12.79	-	-	73,775	-

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, 2012
(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of March 31, 2012			Net Income (Loss) of the Investee	Investment Gain (Loss) (Note B)	Note
				March 31, 2012	December 31, 2011	Shares	Percentage of Ownership	Carrying Value			
Advantech Co., Ltd.	AAC (BVI)	BVI	Investment holding company	\$ 993,108	\$ 993,108	29,623,834	100.00	\$ 2,396,813	\$ 27,395	\$ 27,741	Subsidiary
	ATC	BVI	Sale of industrial automation products	1,231,118	1,231,118	38,750,000	100.00	2,708,416	135,479	128,521	Subsidiary
	Advansus Corp.	Taipei, Taiwan	Production and sale of industrial automation product	486,000	180,000	36,000,000	100.00	537,369	4,637	2,272	Equity-method investee
	AEUH	Helmond, The Netherlands	Investment holding company	1,146,489	1,146,489	9,572,024	100.00	932,289	(3,982)	(3,982)	Subsidiary
	Advantech Fund-A	Taipei, Taiwan	Investment and management service	900,000	900,000	90,000,000	100.00	863,196	3,835	4,749	Subsidiary
	Axiomtek	Taipei, Taiwan	Production and sale of industrial automation product	249,059	249,059	20,537,984	26.55	334,475	18,618	4,943	Equity-method investee
	ASG	Techplace, Singapore	Sale of industrial automation products	27,134	27,134	1,450,000	100.00	106,200	5,952	5,952	Subsidiary
	AAU	Sydney, Australia	Sale of industrial automation products	40,600	40,600	500,204	100.00	75,899	258	258	Subsidiary
	AJP	Tokyo, Japan	Sale of industrial automation products	15,472	15,472	1,200	100.00	182,622	4,261	4,261	Subsidiary
	AMY	Malaysia	Sale of industrial automation products	35,140	35,140	2,000,000	100.00	40,486	1,154	1,154	Subsidiary
	AKR	Seoul, Korea	Sale of industrial automation products	73,355	73,355	600,000	100.00	147,104	6,371	6,371	Subsidiary
	ABR	Sao Paulo, Brazil	Sale of industrial automation products	-	-	971,055	43.28	26,963	695	417	Subsidiary
	AiST	Taipei, Taiwan	Sale of industrial automation products	50,000	50,000	5,000,000	100.00	80,939	(15)	(15)	Subsidiary
	AHK	Mongkok, Hong Kong	Sale of industrial automation products	4,393	4,393	999,999	100.00	(156)	-	-	Subsidiary (Note A)
	ACA	Taipei, Taiwan	Production and sale of portable industrial computing products	141,562	141,562	7,948,839	99.36	227,499	38,600	38,353	Subsidiary
Advantech Fund-A	Netstar Technology Co., Ltd.	Taipei, Taiwan	Production and sale of industrial automation products	280,875	274,078	23,013,118	92.05	216,694	712	714	Indirect subsidiary
	BCM Embedded Computer Inc.	Taipei, Taiwan	Telecommunications equipment and electronic parts manufacturing	45,500	45,500	4,500,000	100.00	17,979	219	219	Indirect subsidiary
	Broadwin Technology Inc.	Taipei, Taiwan	Assembly and production of computers	142,063	142,063	6,777,571	100.00	148,469	1,779	1,779	Indirect subsidiary
	Cermate Technologies Inc.	Taipei, Taiwan	Production and sale of electrical equipment, telecommunications equipment and electronic parts manufacturing	71,500	71,500	5,500,000	55.00	84,365	1,350	742	Indirect subsidiary
	Axiomtek	Taipei, Taiwan	Production and sale of industrial automation products	35,329	35,329	1,559,000	2.02	36,766	18,618	376	Equity-method investee
ATC	ATC (HK)	Hong Kong	Investment holding company	1,212,730	1,212,730	41,650,001	100.00	1,800,317	(4,315)	(4,315)	Indirect subsidiary
ATC (HK)	AKMC	Jiangsu, China	Production and sale of industrial automation products	1,212,730	1,212,730	-	100.00	1,800,317	(4,315)	(4,315)	Indirect subsidiary
AAC (BVI)	ANA	Sunnyvale, USA	Sale and fabrication of industrial automation products	504,179	504,179	10,952,606	100.00	1,268,009	24,677	24,677	Indirect subsidiary
	AAC (HK)	Hong Kong	Investment holding company	539,146	539,146	15,230,001	100.00	1,130,056	2,718	2,718	Indirect subsidiary
AAC (HK)	ACN	Beijing, China	Sale of industrial automation products	185,356	185,356	-	100.00	608,434	2,614	2,614	Indirect subsidiary
	AiSC	Shanghai, China	Sale of industrial automation products	257,040	257,040	-	100.00	528,490	8,495	8,495	Indirect subsidiary
	AXA	Xi'an, China	Development and production of software products	32,960	32,960	-	100.00	(7,568)	(8,821)	(8,821)	Indirect subsidiary (Note A)
ACN	Hangzhou Advantofine Automation Co., Ltd.	Hangzhou, China	Processing and sale of peripherals	13,727	13,727	-	60.00	16,304	1,562	937	Equity-method investee
AEUH	AEU	Eindhoven, The Netherlands	Sale of industrial automation products	316,403	316,403	8,314,280	100.00	141,053	(11,738)	(11,738)	Indirect subsidiary
	APL	Warsaw, Poland	Sale of industrial automation products	14,176	14,176	6,836	100.00	36,863	(2,009)	(2,009)	Indirect subsidiary
	A-DLoG	Munich, Germany	Design, R&D and sale of industrial automation vehicles and related products	553,536	553,536	1	100.00	610,266	9,698	9,698	Indirect subsidiary
AEU	Innocore	England	Design, R&D and sale of gaming computer products	166,023	166,023	251,111	100.00	151,670	(3,337)	(3,337)	Indirect subsidiary
Innocore	IGL	England	Design, R&D and sale of gaming computer products	166,023	166,023	501,000	100.00	44,138	27	27	Indirect subsidiary
ASG	ATH	Thailand	Production of computers	7,537	7,537	51,000	51.00	17,676	1,229	662	Indirect subsidiary

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of March 31, 2012			Net Income (Loss) of the Investee	Investment Gain (Loss) (Note B)	Note
				March 31, 2012	December 31, 2011	Shares	Percentage of Ownership	Carrying Value			
Netstar Technology Co., Ltd.	Jan Hsiang Electronics Co., Ltd.	Taipei, Taiwan	Electronic parts and components manufacturing	\$ 3,719	\$ 3,719	655,500	28.50	\$ 7,609	\$ (2,567)	\$ (732)	Indirect subsidiary
Cermate Technologies Inc.	Land Mark	BVI	General investment	28,200	28,200	972,284	100.00	45,898	3,175	3,175	Indirect subsidiary
Land Mark	Cermate (Shanghai) Cermate (Shenzhen)	Shanghai, China Shenzhen, China	Sale of industrial electronic products Manufacture of LCD touch panels, USB data cables and industrial automation products	US\$ 572 US\$ 308	US\$ 572 US\$ 308	- -	100.00 90.00	23,418 22,695	200 3,174	200 2,857	Indirect subsidiary 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, except those of ACN, ANA and AiSC.

(Concluded)

ADVANTECH CO., LTD. AND SUBSIDIARIES

INVESTMENTS IN MAINLAND CHINA

THREE MONTHS ENDED MARCH 31, 2012

(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, 2012	Investment Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2012	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note A)	Carrying Value as of March 31, 2012	Accumulated Inward Remittance of Earnings as of March 31, 2012
					Outflow	Inflow					
Advantech Technology (China) Company Ltd. (AKMC)	Production and sale of components of industrial automation products	US\$41,650 thousand	Indirect	\$ 1,100,723 (US\$ 37,300 thousand)	\$ -	\$ -	\$ 1,100,723 (US\$ 37,300 thousand)	100%	\$ (4,315)	\$ 1,800,317	\$ -
Beijing Yan Hua Xing Ye Electronic Science & Technology Co., Ltd. (ACN)	Sale of industrial automation products	US\$4,230 thousand	Indirect	157,347 (US\$ 5,332 thousand)	-	-	157,347 (US\$ 5,332 thousand)	100%	2,614	608,434	331,545 (US\$ 11,235 thousand)
Shanghai Advantech Intelligent Services Co., Ltd. (AiSC)	Production and sale of industrial automation products	US\$8,000 thousand	Indirect	236,080 (US\$ 8,000 thousand)	-	-	236,080 (US\$ 8,000 thousand)	100%	8,495	528,490	-
Xi'an Advantech Software Ltd. (AXA)	Development and production of software products	US\$1,000 thousand	Indirect	(Note C)	-	-	(Note C)	100%	(8,821)	(7,568)	-

Accumulated Investment in Mainland China as of March 31, 2012	Investment Amounts Authorized by Investment Commission, MOEA	Maximum Allowable Limit on Investment
\$1,500,052 (US\$50,832 thousand) (Note D)	\$2,036,190 (US\$69,000 thousand)	\$10,122,533 (Note F)

Note A: The financial statements used as basis of net asset values were not reviewed by a CPA, except those of ACN and AiSC.

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 18 to the financial statements and Tables 1, 2, 5 and 6.

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

Note D: Included the outflow of US\$200 thousand on the investment in Yan Hua (Guang Zhou Bao Shui Qu) Co., Ltd. located in a free trade zone in Guang Zhou. This Company had been 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 investment under the regulation.

Note E: The exchange rate as of March 31, 2012 was US\$1.00=NT\$29.51.

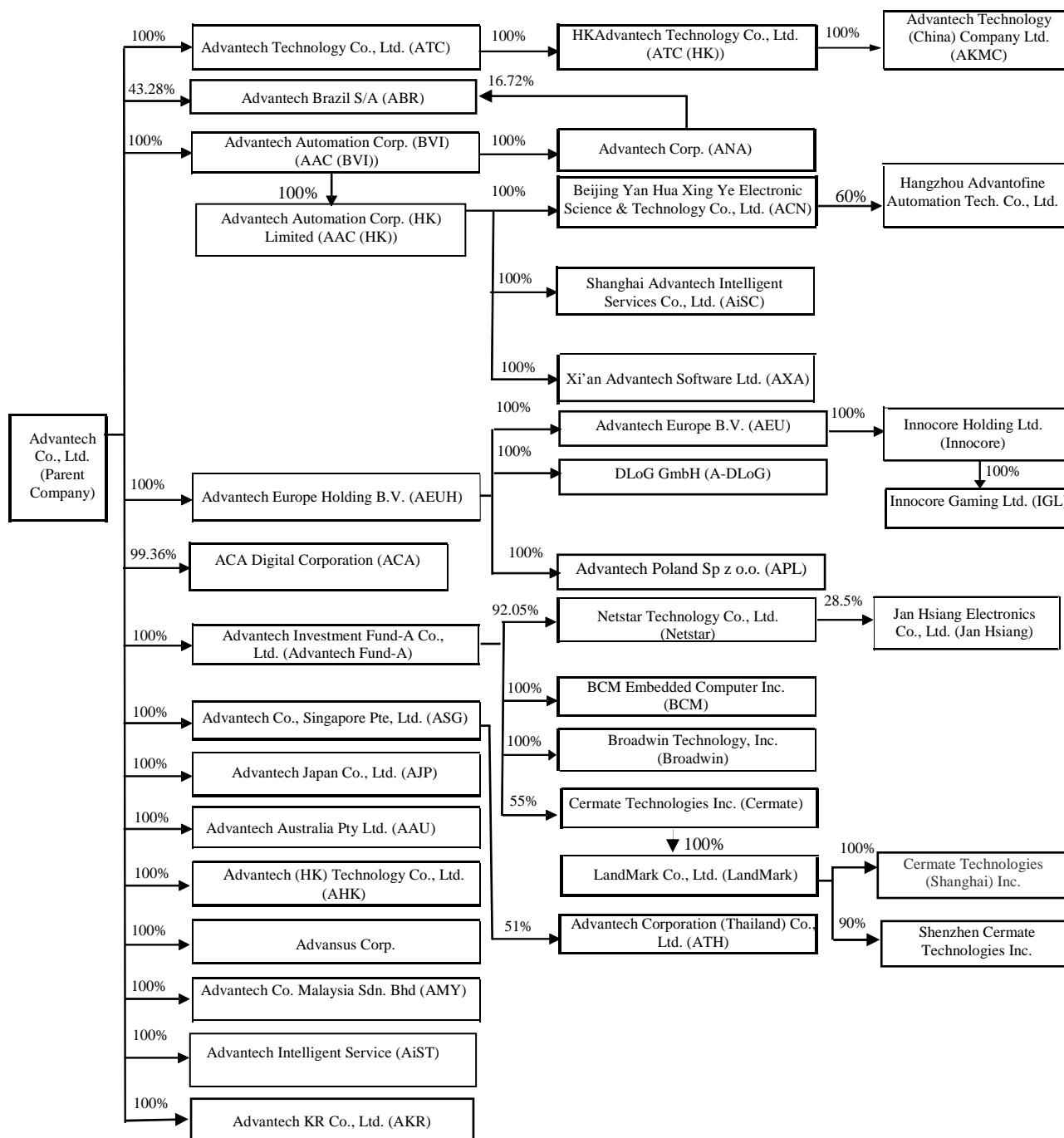
Note F: The maximum allowable limit on investment was based on 60% of the consolidated net asset value of Advantech Co., Ltd.

TABLE 9

ADVANTECH CO., LTD. AND SUBSIDIARIES

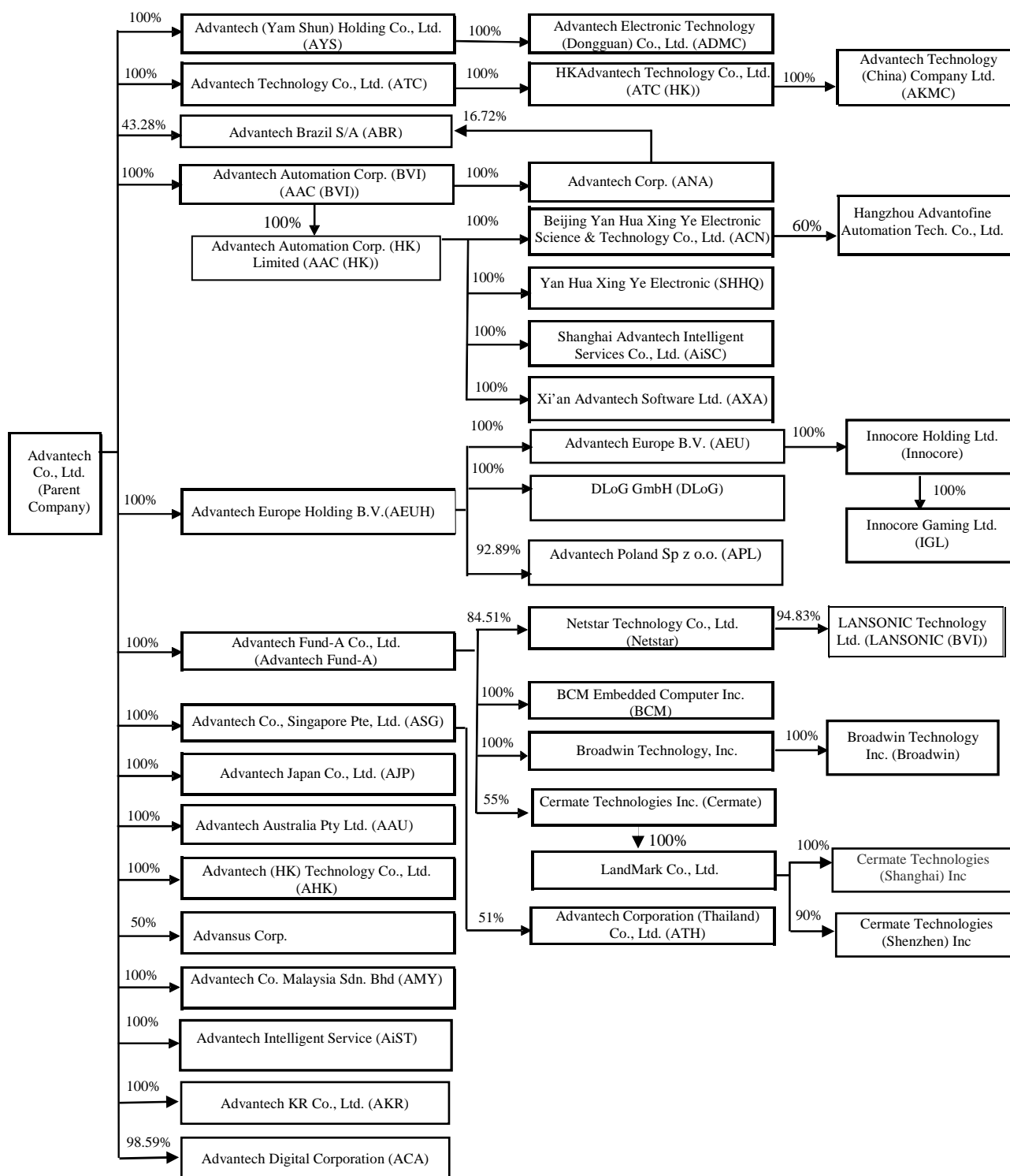
**ORGANIZATION CHART
MARCH 31, 2012 AND 2011**

Intercompany relationships and percentages of ownership as of March 31, 2012 are shown below:



(Continued)

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



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

(Concluded)

ADVANTECH CO., LTD. AND SUBSIDIARIES

SIGNIFICANT TRANSACTIONS BETWEEN ADVANTECH CO., LTD. AND SUBSIDIARIES
THREE MONTHS ENDED MARCH 31, 2012 AND 2011
(In Thousands of New Taiwan Dollars)

March 31, 2012

Number (Note A)	Company Name	Counter Party	Flow of Transaction (Note A)	Transaction Details			% to Consolidated Assets/Revenue (Note C)
				Financial Statement Account	Amount	Payment Terms	
0	Advantech Co., Ltd.	AAC (HK)	1	Receivables from related parties	\$ 23	45 days	-
		AAC (HK)	1	Payables to related parties	1,014	45 days	-
		AAC (HK)	1	Operating expense	1,441	Normal	-
		AAU	1	Receivables from related parties	25,165	60-90 days	-
		AAU	1	Sales	39,652	Normal	1%
		AAU	1	Other revenue	1,041	Normal	-
		AAU	1	Purchase	16	Normal	-
		ABR	1	Receivables from related parties	18,717	90 days	-
		ABR	1	Sales	18,110	Normal	-
		ABR	1	Other revenue	772	Normal	-
		ACA	1	Receivables from related parties	4,731	30 days	-
		ACA	1	Purchase	378,870	Normal	6%
		ACA	1	Sales	4,856	Normal	-
		ACA	1	Payables to related parties	83,554	30 days	-
		ACN	1	Sales	414,744	Normal	7%
		ACN	1	Receivables from related parties	472,517	45 days	2%
		ACN	1	Other revenue	9,819	Normal	-
		ACN	1	Purchase	1,516	Normal	-
		ACN	1	Payables to related parties	1,700	30 days	-
		AEU	1	Sales	547,444	Normal	9%
		AEU	1	Receivables from related parties	845,663	30 days	4%
		AEU	1	Other revenue	3,528	Normal	-
		AEU	1	Payables to related parties	519	30 days	-
		AEU	1	Purchase	172	Normal	-
		AHK	1	Operating expense	1,441	Normal	-
		AiSC	1	Sales	348,469	Normal	6%
		AiSC	1	Receivables from related parties	460,719	45 days	2%
		AiSC	1	Payables to related parties	39	45 days	-
		AJP	1	Sales	88,474	Normal	1%
		AJP	1	Receivables from related parties	41,798	60-90 days	-
		AJP	1	Other revenue	5,022	Normal	-
		AJP	1	Payables to related parties	1	60-90 days	-
		AJP	1	Purchase	11	Normal	-

(Continued)

Number (Note A)	Company Name	Counter Party	Flow of Transaction (Note A)	Transaction Details			% to Consolidated Assets/Revenue (Note C)
				Financial Statement Account	Amount	Payment Terms	
		AKMC	1	Sales	\$ 130,582	Normal	2%
		AKMC	1	Receivables from related parties	75	45 days	-
		AKMC	1	Payables to related parties	487	60 days	-
		AKR	1	Sales	103,001	Normal	2%
		AKR	1	Receivables from related parties	57,821	Prompt collection	-
		AKR	1	Other revenue	2,144	Normal	-
		AKR	1	Payables to related parties	6	60 days	-
		AMY	1	Sales	13,008	Normal	-
		AMY	1	Receivables from related parties	10,097	45 days	-
		AMY	1	Other revenue	626	Normal	-
		ANA	1	Sales	1,296,098	Normal	21%
		ANA	1	Purchase	14,371	Normal	-
		ANA	1	Payables to related parties	5,544	45 days	-
		ANA	1	Other revenue	7,728	Normal	-
		ANA	1	Receivables from related parties	451,075	45 days	2%
		APL	1	Sales	3,198	Normal	-
		APL	1	Receivables from related parties	1,127	45 days	-
		APL	1	Payables to related parties	5	30 days after invoice date	-
		APL	1	Purchase	5	Normal	-
		ASG	1	Sales	34,755	Normal	1%
		ASG	1	Receivables from related parties	35,556	60-90 days	-
		ASG	1	Other revenue	938	Normal	-
		ASG	1	Payables to related parties	847	60-90 days	-
		ASG	1	Operating expense	1,440	Normal	-
		ATC	1	Purchase	1,663,377	Normal	27%
		ATC	1	Payables to related parties	1,494,367	60 days	6%
		ATC	1	Royalty revenue	49,494	Normal	1%
		ATH	1	Sales	9,285	Normal	-
		ATH	1	Receivables from related parties	3,599	30 days after invoice date	-
		ATH	1	Other revenue	430	Normal	-
		A-DLoG	1	Sales	5,707	Normal	-
		A-DLoG	1	Receivables from related parties	4,971	30 days after invoice date	-
		A-DLoG	1	Other revenue	2,886	Normal	-
		A-DLoG	1	Payables to related parties	2,128	30 days after invoice date	-
		A-DLoG	1	Purchase	4,605	Normal	-
		BCM Embedded Computer Inc.	1	Rental revenue	15	Normal	-
		BCM Embedded Computer Inc.	1	Receivables from related parties	63	30 days	-
		Cermate	1	Purchase	1,751	Normal	-
		Cermate	1	Payables to related parties	1,118	Half-year payment (June, December)	-
		Cermate	1	Other revenue	180	Normal	-
		Cermate	1	Receivables from related parties	144	Half-year payment (June, December)	-
		Cermate	1	Sales	77	Normal	-
		Broadwin Technology, Inc.	1	Sales	570	Normal	-
		Broadwin Technology, Inc.	1	Other revenue	240	Normal	-
		Broadwin Technology, Inc.	1	Purchase	23	Normal	-
		Broadwin Technology, Inc.	1	Receivables from related parties	1,038	60 days	-
		Broadwin Technology, Inc.	1	Payables to related parties	18	60 days	-

(Continued)

Number (Note A)	Company Name	Counter Party	Flow of Transaction (Note A)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% to Consolidated Assets/Revenue (Note C)
		Advantech Fund-A	1	Rental revenue	\$ 9	Normal	-
		Advantech Fund-A	1	Receivables from related parties	3	Normal	-
		Advansus Corp.	1	Purchase	154,869	Normal	2%
		Advansus Corp.	1	Payables to related parties	114,080	60-90 days	-
		Advansus Corp.	1	Sales	176	Normal	-
		Advansus Corp.	1	Other revenue	51	Normal	-
		Advansus Corp.	1	Rental revenue	15	Normal	-
		Advansus Corp.	1	Receivables from related parties	171	60-90 days	-
		Netstar Technology Co., Ltd.	1	Purchase	15,843	Normal	-
		Netstar Technology Co., Ltd.	1	Payables to related parties	17,109	60 days	-
		Netstar Technology Co., Ltd.	1	Other revenue	240	Normal	-
		Netstar Technology Co., Ltd.	1	Sales	1,675	Normal	-
		Netstar Technology Co., Ltd.	1	Receivables from related parties	1,843	25th of every quarter	-
1	ACN	ACA	3	Receivables from related parties	7,086	30 days	-
		ACA	3	Sales	4,496	Normal	-
	ACN (ASZ)	ACN (ABJ)	3	Receivables from related parties	55	Prompt collection	-
	ACN (ABJ)	ACN (ASZ)	3	Payables to related parties	55	45 days	-
	ACN	AEU	3	Receivables from related parties	713	30 days	-
		AEU	3	Sales	43	Normal	-
		AKMC	3	Sales	4,535	Normal	-
		AKMC	3	Purchase	6,582	Normal	-
		AKMC	3	Payables to related parties	3,768	60-90 days	-
		AKMC	3	Rental expense	929	Normal	-
		AKMC	3	Receivables from related parties	3,698	60-90 days	-
		AKR	3	Receivables from related parties	19	45 days	-
		AKR	3	Sales	16	Normal	-
		AMY	3	Receivables from related parties	86	60-90 days	-
		ASG	3	Sales	380	Normal	-
		AMY	3	Sales	74	Normal	-
		ANA	3	Payables to related parties	655	30 days	-
		ANA	3	Receivables from related parties	1,514	30 days	-
		ANA	3	Sales	188	30 days	-
		ASG	3	Receivables from related parties	444	Prompt collection	-
		Advantech Co., Ltd.	2	Purchase	414,744	Normal	7%
		Advantech Co., Ltd.	2	Payables to related parties	472,517	45 days	2%
		Advantech Co., Ltd.	2	Sales	1,516	Normal	-
		Advantech Co., Ltd.	2	Receivables from related parties	1,700	30 days	-
		Advantech Co., Ltd.	2	Other expense	9,819	Normal	-
2	AAU	AEU	3	Purchase	232	Normal	-
		AEU	3	Payables to related parties	235	30 days	-
		ANA	3	Purchase	32	Normal	-
		ANA	3	Payables to related parties	14	60-90 days	-
		A-DLoG	3	Payables to related parties	301	30 days after invoice date	-
		A-DLoG	3	Purchase	149	Normal	-

(Continued)

Number (Note A)	Company Name	Counter Party	Flow of Transaction (Note A)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% to Consolidated Assets/Revenue (Note C)
		Advantech Co., Ltd.	2	Purchase	\$ 39,652	Normal	1%
		Advantech Co., Ltd.	2	Payables to related parties	25,165	60-90 days	-
		Advantech Co., Ltd.	2	Sales	16	Normal	-
		Advantech Co., Ltd.	2	Other expense	1,041	Normal	-
3	ABR	Advantech Co., Ltd.	2	Purchase	18,110	Normal	-
		Advantech Co., Ltd.	2	Payables to related parties	18,717	90 days	-
		Advantech Co., Ltd.	2	Other expense	772	Normal	-
4	ACA	ACN	3	Payables to related parties	7,086	60-90 days	-
		ACN	3	Purchase	4,496	Normal	-
		AKMC	3	Sales	156,373	Normal	2%
		AKMC	3	Receivables from related parties	96,825	45 days	-
		Advantech Co., Ltd.	2	Sales	378,870	Normal	6%
		Advantech Co., Ltd.	2	Purchase	4,856	Normal	-
		Advantech Co., Ltd.	2	Payables to related parties	4,731	30 days	-
		Advantech Co., Ltd.	2	Receivables from related parties	83,554	30 days	-
		Advansus Corp.	3	Sales	90,790	Normal	1%
		Advansus Corp.	3	Purchase	43,151	Normal	1%
		Advansus Corp.	3	Payables to related parties	35,961	30 days	1%
		Advansus Corp.	3	Receivables from related parties	41,649	45 days	1%
5	ADL	AEU	3	Commission revenue	21,370	Normal	-
	ADL (AIT)	AEU	3	Commission revenue	16,266	Normal	-
		AEU	3	Payables to related parties	389	30 days after invoice date	-
	ADL (AFR)	AEU	3	Commission revenue	7,850	Normal	-
	ADL (AUK)	AEU	3	Commission revenue	4,060	Normal	-
	ADL	AEU	3	Receivables from related parties	15,943	30 days after invoice date	-
		AEU	3	Purchase	4,154	Normal	-
		AEU	3	Payables to related parties	18,666	30 days after invoice date	-
	ADL (AFR)	AEU	3	Payables to related parties	688	30 days after invoice date	-
	ADL (AUK)	AEU	3	Payables to related parties	229	30 days after invoice date	-
	ADL	ATC	3	Receivables from related parties	3,804	7 days after invoice date	-
		AEUH	3	Payables to related parties	788	30 days after invoice date	-
6	AEUH	ADL	3	Receivables from related parties	788	30 days after invoice date	-
7	AHK	Advantech Co., Ltd.	2	Other revenue	1,441	Normal	-
8	AiSC	AKMC	3	Purchase	31,423	Normal	1%
		AKMC	3	Payables to related parties	8,988	Prompt payment	-
		AKMC	3	Sales	1,957	Normal	-
		AKMC	3	Receivables from related parties	1,569	30 days	-
		AAC (HK)	3	Receivables from related parties	2,355	90 days	-

(Continued)

Number (Note A)	Company Name	Counter Party	Flow of Transaction (Note A)	Transaction Details			% to Consolidated Assets/Revenue (Note C)
				Financial Statement Account	Amount	Payment Terms	
		BCM	3	Receivables from related parties	\$ 150	Prompt collection	-
		Advantech Co., Ltd.	2	Purchase	348,469	Normal	6%
		Advantech Co., Ltd.	2	Payables to related parties	460,719	45 days	2%
		Advantech Co., Ltd.	2	Receivables from related parties	39	45 days	-
9	AJP	AEU	3	Payables to related parties	25	30 days	-
		AEU	3	Purchase	23	Normal	-
		AKMC	3	Receivables from related parties	111	45 days	-
		Advantech Co., Ltd.	2	Purchase	88,474	Normal	1%
		Advantech Co., Ltd.	2	Payables to related parties	41,798	60-90 days	-
		Advantech Co., Ltd.	2	Sales	11	Normal	-
		Advantech Co., Ltd.	2	Receivables from related parties	1	60-90 days	-
		Advantech Co., Ltd.	2	Other expense	5,022	Normal	-
10	AKMC	ACA	3	Payables to related parties	96,825	45 days	-
		ACA	3	Purchase	156,373	Normal	2%
		ACN	3	Receivables from related parties	3,768	60-90 days	-
		ACN	3	Purchase	4,535	Normal	-
		ACN	3	Sales	6,582	Normal	-
		ACN	3	Payables to related parties	3,698	60-90 days	-
		ACN	3	Rental revenue	929	Normal	-
		AEU	3	Receivables from related parties	45	30 days after invoice date	-
		AEU	3	Sales	46	Normal	-
		AEU	3	Purchase	50	Normal	-
		AEU	3	Payables to related parties	837	Normal	-
		AiSC	3	Sales	31,423	Normal	1%
		AiSC	3	Receivables from related parties	8,988	Prompt collection	-
		AiSC	3	Purchase	1,957	Normal	-
		AiSC	3	Payables to related parties	1,569	30 days	-
		AJP	3	Payables to related parties	111	45 days	-
		AKR	3	Receivables from related parties	33	30 days after invoice date	-
		ANA	3	Payables to related parties	166,737	30 days after invoice date	1%
		ANA	3	Receivables from related parties	39	60-90 days	-
		ANA	3	Purchase	659	Normal	-
		ATC	3	Sales	1,419,282	Normal	23%
		ATC	3	Purchase	5,807	Normal	-
		ATC	3	Payables to related parties	2,921	60-90 days	-
		ATC	3	Receivables from related parties	573,139	60-90 days	2%
		ATH	3	Receivables from related parties	6	30 days after invoice date	-
		Advantech Co., Ltd.	2	Receivables from related parties	487	60 days	-
		Advantech Co., Ltd.	2	Purchase	130,582	Normal	2%
		Advantech Co., Ltd.	2	Payables to related parties	75	45 days	-
		Advansus Corp.	3	Purchase	161,578	Normal	3%
		Advansus Corp.	3	Payables to related parties	83,506	60-90 days	-
		Cermate (Shenzhen)	3	Purchase	6,150	Normal	-
		Advansus Corp.	3	Sales	1,615	Normal	-
		Advansus Corp.	3	Receivables from related parties	1,303	Prompt collection	-

(Continued)

Number (Note A)	Company Name	Counter Party	Flow of Transaction (Note A)	Transaction Details			% to Consolidated Assets/Revenue (Note C)
				Financial Statement Account	Amount	Payment Terms	
		Netstar Technology Co., Ltd.	3	Sales	\$ 47,876	Normal	1%
		Netstar Technology Co., Ltd.	3	Purchase	218	Normal	-
		Netstar Technology Co., Ltd.	3	Payables to related parties	473	Nest 60 days	-
		Netstar Technology Co., Ltd.	3	Receivables from related parties	37,230	Nest 60 days	-
11	AKR	ACN	3	Payables to related parties	19	45 days	-
		ACN	3	Purchase	16	Normal	-
		AKMC	3	Payables to related parties	33	30 days after invoice date	-
		Advantech Co., Ltd.	2	Purchase	103,001	Normal	2%
		Advantech Co., Ltd.	2	Payables to related parties	57,821	Prompt payment	-
		Advantech Co., Ltd.	2	Receivables from related parties	6	90 days	-
		Advantech Co., Ltd.	2	Other expense	2,144	Normal	-
		Advansus Corp.	3	Purchase	24,342	Normal	-
		Advansus Corp.	3	Payables to related parties	9,459	60-90 days	-
		AEU	3	Payables to related parties	24	30 days after invoice date	-
12	AMY	ACN	3	Payables to related parties	86	60-90 days	-
		AEU	3	Purchase	13	Normal	-
11	AKR	AEU	3	Purchase	24	Normal	-
12	AMY	AEU	3	Payables to related parties	13	Payment in advance	-
		ACN	3	Purchase	74	Normal	-
		ASG	3	Payables to related parties	412	30 days	-
		ASG	3	Purchase	1,516	Normal	-
		Advantech Co., Ltd.	2	Purchase	13,008	Normal	-
		Advantech Co., Ltd.	2	Payables to related parties	10,097	45 days	-
		Advantech Co., Ltd.	2	Other expense	626	Normal	-
13	ANA	AAU	3	Receivables from related parties	14	60-90 days	-
		AAU	3	Sales	32	Normal	-
		ACN	3	Receivables from related parties	655	30 days	-
		ACN	3	Payables to related parties	1,514	30 days	-
		ACN	3	Purchase	188	30 days	-
		AEU	3	Purchase	4,271	Normal	-
		AEU	3	Sales	1,872	Normal	-
		AEU	3	Payables to related parties	7,001	30 days after invoice date	-
		AEU	3	Receivables from related parties	1,863	60-90 days	-
28	AAC (HK)	AiSC	3	Payables to related parties	2,355	90 days	-
13	ANA	AKMC	3	Sales	659	Normal	-
		AKMC	3	Payables to related parties	39	60-90 days	-
		AKMC	3	Receivables from related parties	166,737	30 days after invoice date	1%
		A-DLoG	3	Payables to related parties	7	30 days	-
		Advantech Co., Ltd.	2	Purchase	1,296,098	Normal	21%
		Advantech Co., Ltd.	2	Payables to related parties	451,075	45 days	2%

(Continued)

Number (Note A)	Company Name	Counter Party	Flow of Transaction (Note A)	Transaction Details			% to Consolidated Assets/Revenue (Note C)
				Financial Statement Account	Amount	Payment Terms	
		Advantech Co., Ltd.	2	Sales	\$ 14,371	Normal	-
		Advantech Co., Ltd.	2	Other expense	7,728	Normal	-
		Advantech Co., Ltd.	2	Receivables from related parties	5,544	45 days	-
14	APL	AEU	3	Purchase	9,348	Normal	-
		AEU	3	Payables to related parties	118	30 days	-
		Advantech Co., Ltd.	2	Purchase	3,198	Normal	-
		Advantech Co., Ltd.	2	Payables to related parties	1,127	45 days	-
		Advantech Co., Ltd.	2	Sales	5	Normal	-
		Advantech Co., Ltd.	2	Receivables from related parties	5	30 days after invoice date	-
15	ASG	ACN	3	Payables to related parties	444	Prompt payment	-
		ACN	3	Purchase	380	Normal	-
		AMY	3	Receivables from related parties	412	30 days	-
		AMY	3	Sales	1,516	Normal	-
		ATH	3	Sales	458	Normal	-
		ATH	3	Receivables from related parties	681	30 days	-
		Advantech Co., Ltd.	2	Purchase	34,755	Normal	1%
		Advantech Co., Ltd.	2	Payables to related parties	35,556	60-90 days	-
		Advantech Co., Ltd.	2	Other expense	938	Normal	-
		Advantech Co., Ltd.	2	Receivables from related parties	847	60-90 days	-
		Advantech Co., Ltd.	2	Other revenue	1,440	Normal	-
16	ATC	ADL	3	Payables to related parties	3,804	30 days after invoice date	-
		AEU	3	Payables to related parties	2,561	30 days after invoice date	-
		AKMC	3	Payables to related parties	573,139	60-90 days	2%
		AKMC	3	Purchase	1,419,282	Normal	23%
		AKMC	3	Sales	5,807	Normal	-
		AKMC	3	Receivables from related parties	2,921	60-90 days	-
		Advantech Co., Ltd.	2	Sales	1,663,377	Normal	27%
		Advantech Co., Ltd.	2	Receivables from related parties	1,494,367	60 days	6%
		Advantech Co., Ltd.	2	Royalty expense	49,494	Normal	1%
17	ATH	AKMC	3	Payables to related parties	6	30 days after invoice date	-
		ASG	3	Purchase	458	Normal	-
		ASG	3	Payables to related parties	681	30 days	-
		Advantech Co., Ltd.	2	Other expense	430	Normal	-
		Advantech Co., Ltd.	2	Purchase	9,285	Normal	-
		Advantech Co., Ltd.	2	Payables to related parties	3,599	30 days after invoice date	-
18	BCM Embedded Computer Inc.	AiSC	3	Payables to related parties	150	60 days	-
19	A-DLoG	AAU	3	Receivables from related parties	301	30 days after invoice date	-
		AAU	3	Sales	149	Normal	-
		AEU	3	Sales	762	Normal	-
		AEU	3	Payables to related parties	82	30 days	-

(Continued)

Number (Note A)	Company Name	Counter Party	Flow of Transaction (Note A)	Transaction Details			% to Consolidated Assets/Revenue (Note C)
				Financial Statement Account	Amount	Payment Terms	
		AEU	3	Purchase	\$ 80	Normal	-
		AEU	3	Receivables from related parties	100	30 days	-
		ANA	3	Receivables from related parties	7	30 days	-
		Advantech Co., Ltd.	2	Other expense	2,886	Normal	-
		Advantech Co., Ltd.	2	Purchase	5,707	Normal	-
		Advantech Co., Ltd.	2	Payables to related parties	4,971	30 days after invoice date	-
		Advantech Co., Ltd.	2	Sales	4,605	Normal	-
		Advantech Co., Ltd.	2	Receivables from related parties	2,128	30 days after invoice date	-
18	BCM Embedded Computer Inc.	Advantech Co., Ltd.	2	Payables to related parties	63	30 days	-
		Advantech Co., Ltd.	2	Rental expense	15	Normal	-
		Advansus Corp.	3	Purchase	2,411	Normal	-
		Advansus Corp.	3	Payables to related parties	2,531	60-90 days	-
20	Cermate (Shanghai)	Cermate (Shenzhen)	3	Purchase	6,445	Normal	-
21	Cermate (Shenzhen)	AKMC	3	Sales	6,150	40 days	-
		Cermate (Shanghai)	3	Sales	6,445	Normal	-
		Cermate	3	Purchase	8,198	Normal	-
		Cermate	3	Payables to related parties	3,099	30 days	-
		Cermate	3	Sales	3,343	Normal	-
		Cermate	3	Receivables from related parties	2,459	60 days	-
22	Cermate	Advantech Co., Ltd.	2	Other expense	180	Normal	-
		Advantech Co., Ltd.	2	Receivables from related parties	1,118	Half-year payment (June, December)	-
		Advantech Co., Ltd.	2	Sales	1,751	Normal	-
		Advantech Co., Ltd.	2	Purchase	77	Normal	-
		Advantech Co., Ltd.	2	Payables to related parties	144	Half-year payment (June, December)	-
		Cermate (Shenzhen)	3	Sales	8,198	Normal	-
		Cermate (Shenzhen)	3	Purchase	3,343	Normal	-
		Cermate (Shenzhen)	3	Payables to related parties	2,459	60 days	-
		Cermate (Shenzhen)	3	Receivables from related parties	3,099	30 days	-
23	Broadwin Technology, Inc.	Advantech Co., Ltd.	2	Other expense	240	Normal	-
		Advantech Co., Ltd.	2	Receivables from related parties	18	60 days	-
		Advantech Co., Ltd.	2	Purchase	570	Normal	-
		Advantech Co., Ltd.	2	Payables to related parties	1,038	60 days	-
		Advantech Co., Ltd.	2	Sales	23	Normal	-
24	Advantech Fund-A	Advantech Co., Ltd.	2	Payables to related parties	3	Normal	-
		Advantech Co., Ltd.	2	Rental expense	9	Normal	-
25	Advansus Corp.	ACA	3	Receivables from related parties	35,961	30 days	-
		ACA	3	Purchase	90,790	Normal	1%
		ACA	3	Payables to related parties	41,649	45 days	-
		ACA	3	Sales	43,151	Normal	1%

(Continued)

Number (Note A)	Company Name	Counter Party	Flow of Transaction (Note A)	Transaction Details			% to Consolidated Assets/Revenue (Note C)
				Financial Statement Account	Amount	Payment Terms	
		AKMC	3	Sales	\$ 161,578	Normal	3%
		AKMC	3	Receivables from related parties	83,506	60-90 days	-
		AKMC	3	Purchase	1,615	Normal	-
		AKMC	3	Payables to related parties	1,303	Prompt payment	-
		AKR	3	Sales	24,342	Normal	-
		AKR	3	Receivables from related parties	9,459	60-90 days	-
		Advantech Co., Ltd.	2	Other expense	51	Normal	-
		Advantech Co., Ltd.	2	Receivables from related parties	114,080	60-90 days	-
		Advantech Co., Ltd.	2	Sales	154,869	Normal	2%
		Advantech Co., Ltd.	2	Purchase	176	Normal	-
		Advantech Co., Ltd.	2	Payables to related parties	171	60-90 days	-
		Advantech Co., Ltd.	2	Rental expense	15	Normal	-
		BCM Embedded Computer Inc.	3	Sales	2,411	Normal	-
		BCM Embedded Computer Inc.	3	Receivables from related parties	2,531	60-90 days	-
26	Netstar Technology Co., Ltd.	AKMC	3	Purchase	47,876	Normal	1%
		AKMC	3	Payables to related parties	37,230	Nest 60 days	-
		AKMC	3	Sales	218	Normal	-
		AKMC	3	Receivables from related parties	473	Nest 60 days	-
		Advantech Co., Ltd.	2	Other expense	240	Normal	-
		Advantech Co., Ltd.	2	Sales	15,843	Normal	-
		Advantech Co., Ltd.	2	Purchase	1,675	Normal	-
		Advantech Co., Ltd.	2	Payables to related parties	1,843	25th of every quarter	-
		Advantech Co., Ltd.	2	Receivables from related parties	17,109	60 days	-
27	AEU	AAU	3	Receivables from related parties	235	30 days	-
		AAU	3	Sales	232	Normal	-
		ACN	3	Payables to related parties	713	30 days	-
		ACN	3	Purchase	43	Normal	-
		ADL	3	Receivables from related parties	18,666	30 days after invoice date	-
		ADL	3	Commission expense	21,370	Normal	-
		ADL	3	Sales	4,154	Normal	-
		ADL	3	Payables to related parties	15,943	30 days after invoice date	-
		ADL (AFR)	3	Receivables from related parties	688	30 days after invoice date	-
		ADL (AFR)	3	Commission expense	7,850	Normal	-
		ADL (AIT)	3	Receivables from related parties	389	30 days after invoice date	-
		ADL (AIT)	3	Commission expense	16,266	Normal	-
		ADL (AUK)	3	Receivables from related parties	229	30 days after invoice date	-
		ADL (AUK)	3	Commission expense	4,060	Normal	-
		AJP	3	Receivables from related parties	25	90 days	-
		AKMC	3	Payables to related parties	45	60-90 days	-
		AKMC	3	Purchase	46	Normal	-
		ANA	3	Sales	4,271	Normal	-
		ANA	3	Purchase	1,872	Normal	-
		ANA	3	Payables to related parties	1,863	60-90 days	-
		ATC	3	Receivables from related parties	2,561	30 days after invoice date	-

Number (Note A)	Company Name	Counter Party	Flow of Transaction (Note A)	Transaction Details			% to Consolidated Assets/Revenue (Note C)
				Financial Statement Account	Amount	Payment Terms	
		AKMC	3	Receivables from related parties	\$ 837	Normal	-
		ANA	3	Receivables from related parties	7,001	30 days after invoice date	-
		AJP	3	Sales	23	Normal	-
		APL	3	Sales	9,348	Normal	-
		AKR	3	Receivables from related parties	24	30 days after invoice date	-
		APL	3	Receivables from related parties	118	30 days	-
		AMY	3	Receivables from related parties	13	Receive in advance	-
		A-DLoG	3	Payables to related parties	100	30 days	-
		A-DLoG	3	Receivables from related parties	82	30 days after invoice date	-
		A-DLoG	3	Purchase	762	Normal	-
		Advantech Co., Ltd.	2	Other expense	3,528	Normal	-
		Advantech Co., Ltd.	2	Payables to related parties	845,663	30 days	4%
		Advantech Co., Ltd.	2	Sales	172	Normal	-
		Advantech Co., Ltd.	2	Purchase	547,444	Normal	9%
		Advantech Co., Ltd.	2	Receivables from related parties	519	30 days after invoice date	-
		AKMC	3	Sales	50	Normal	-
		A-DLoG	3	Sales	80	Normal	-
		AMY	3	Sales	13	Normal	-
		AKR	3	Sales	24	Normal	-
28	AAC (HK)	Advantech Co., Ltd.	2	Receivables from related parties	1,014	45 days	-
		Advantech Co., Ltd.	2	Payables to related parties	23	45 days	-
		Advantech Co., Ltd.	2	Payables to related parties	23	45 days	-
				Other revenue	1,441	Normal	-

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Number (Note A)	Company Name	Counter Party	Flow of Transaction (Note A)	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	-

(Continued)

Number (Note A)	Company Name	Counter Party	Flow of Transaction (Note A)	Transaction Details			% to Consolidated Assets/Revenue (Note C)
				Financial Statement Account	Amount	Payment Terms	
		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	-
		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	-

(Continued)

Number (Note A)	Company Name	Counter Party	Flow of Transaction (Note A)	Transaction Details			% to Consolidated Assets/Revenue (Note C)
				Financial Statement Account	Amount	Payment Terms	
		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	-
		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	-

(Continued)

Number (Note A)	Company Name	Counter Party	Flow of Transaction (Note A)	Transaction Details			% to Consolidated Assets/Revenue (Note C)
				Financial Statement Account	Amount	Payment Terms	
		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	-
		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	-

(Continued)

Number (Note A)	Company Name	Counter Party	Flow of Transaction (Note A)	Transaction Details			% to Consolidated Assets/Revenue (Note C)
				Financial Statement Account	Amount	Payment Terms	
		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	-
		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	-

(Continued)

Number (Note A)	Company Name	Counter Party	Flow of Transaction (Note A)	Transaction Details			% to Consolidated Assets/Revenue (Note C)
				Financial Statement Account	Amount	Payment Terms	
		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	-
		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	-

(Continued)

Number (Note A)	Company Name	Counter Party	Flow of Transaction (Note A)	Transaction Details			% to Consolidated Assets/Revenue (Note C)		
				Financial Statement Account	Amount	Payment Terms			
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	-		
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	-		

(Continued)

Number (Note A)	Company Name	Counter Party	Flow of Transaction (Note A)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% to Consolidated Assets/Revenue (Note C)
		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	-
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%

(Continued)

Number (Note A)	Company Name	Counter Party	Flow of Transaction (Note A)	Transaction Details			% to Consolidated Assets/Revenue (Note C)
				Financial Statement Account	Amount	Payment Terms	
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	-
		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	-

(Continued)

Number (Note A)	Company Name	Counter Party	Flow of Transaction (Note A)	Transaction Details			% to Consolidated Assets/Revenue (Note C)
				Financial Statement Account	Amount	Payment Terms	
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	-
		25	DLoG	Advantech Co., Ltd.	2	Purchase	2,116
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
		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	-

(Continued)

Number (Note A)	Company Name	Counter Party	Flow of Transaction (Note A)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% to Consolidated Assets/Revenue (Note C)
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
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	-

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, 2012 and 2011, while revenues, costs and expenses are shown as a percentage to consolidated total operating revenues for the three months ended March 31, 2012 and 2011.

Note D: All intercompany transactions have been eliminated.

(Concluded)