

(English Translation of Pro Forma Financial Report Originally Issued in Chinese)

PEGATRON CORPORATION AND ITS SUBSIDIARIES
PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(With Independent Auditors' Report Thereon)

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**(English Translation of Pro Forma Financial Report Originally Issued in Chinese)
Independent Auditors' Report**

To the Board of Directors of
Pegatron Corporation

We have audited the accompanying pro forma consolidated balance sheets of Pegatron Corporation and its subsidiaries (the Consolidated Company) as of December 31, 2009 and 2008, and the related pro forma consolidated statements of income, changes in stockholders' equity, and cash flows for the years then ended in accordance with the "Taiwan Stock Exchange Corporation Guidelines for Pro Forma Financial Statements Disclosure of Stock Exchange Listing Applications by Spin-Off Transferee Companies". These pro forma consolidated financial statements are the responsibility of the Consolidated Company's management. The above-mentioned pro forma consolidated financial statements were derived from the 2009 and 2008 historical consolidated financial statements of ASUSTeK Computer Inc., which were audited by us and other accountants, whose reports dated March 5, 2010, and March 24, 2009, respectively, expressed a modified unqualified opinion. These pro forma consolidated financial statements are based upon management's assumption described in Note 2. Our responsibility is to express an opinion on these pro forma consolidated financial statements based on our audits.

We conducted our audits in accordance with "Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants" and auditing standards generally accepted in the Republic of China. Those regulations and standards require that we plan and perform the audit to obtain reasonable assurance about whether the pro forma consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the pro forma consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall pro forma financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the pro forma consolidated financial statements referred to above present fairly, in all material respects, the pro forma financial position of Pegatron Corporation and its subsidiaries as of December 31, 2009 and 2008, and the pro forma results of its operations and its pro forma consolidated cash flows for the years then ended in conformity with the "Taiwan Stock Exchange Corporation Guidelines for Pro Forma Financial Statements Disclosure of Stock Exchange Listing Applications by Spin-Off Transferee Companies".

The pro forma consolidated financial statements referred to above were prepared for the purpose of simplified listing of Pegatron Corporation and are based upon the management assumption described in Note 2 in compliance with related regulations of the Taiwan Stock Exchange Corporation. However, these pro forma consolidated financial statements do not reflect the actual financial condition and operating results of Pegatron Corporation and its subsidiaries under the assumption that the Consolidated Company was spunoff on January 1, 2006, and operated independently.



Taipei, Taiwan, ROC
March 29, 2010

Notes to Readers

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

The auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of, the English and Chinese language auditors' report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Financial Report Originally Issued in Chinese)
PEGATRON CORPORATION AND ITS SUBSIDIARIES
PRO FORMA CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2009 AND 2008
(All Amounts Expressed in Thousands of New Taiwan Dollars, Except for Share Data)

	December 31, 2009		December 31, 2008	
	Amount	%	Amount	%
ASSETS				
Current Asset:				
Cash (Notes 2 and 4(1))	\$ 31,846,280	14	27,065,987	12
Financial assets reported at fair value through profit or loss — current (Notes 2 and 4(b))	7,337,537	3	3,952,004	2
Available-for-sale financial assets — current (Notes 2 and 4(b))	1,021,413	1	8,881	-
Notes receivable, net of allowance for doubtful accounts (Notes 2, 4(c) and 5)				
– Non-related parties	64,401	-	11,861	-
– Related parties	9,390	-	-	-
Accounts receivable, net of allowance for doubtful accounts (Notes 2, 4(c) and 5)				
– Non-related parties	54,140,039	24	55,021,430	25
– Related parties	13,598,323	6	8,718,987	4
Other receivables, net of allowance for doubtful accounts (Note 5)				
– Non-related parties	1,238,616	1	2,931,393	1
– Related parties	196,313	-	1,691,273	1
Other financial assets — current (Note 6)	196,127	-	178,461	-
Inventories (Notes 2, 4(d) and 6)	43,409,932	20	41,151,393	19
Non-current assets held for sale (Notes 2 and 4(h))	-	-	182,876	-
Other current assets	1,812,360	1	1,510,217	1
Deferred income tax assets — current (Notes 2 and 4(n))	936,214	-	1,265,686	1
	<u>155,806,945</u>	<u>70</u>	<u>143,690,449</u>	<u>66</u>
Investments:				
Available-for-sale financial assets — non-current (Notes 2 and 4(b))	2,245,648	1	837,958	-
Financial assets carried at cost — non-current (Notes 2 and 4(b))	609,243	-	1,295,298	1
Long-term investments under the equity method (Notes 2, 4(e) and 4(f))	1,996,644	1	2,665,994	1
	<u>4,851,535</u>	<u>2</u>	<u>4,799,250</u>	<u>2</u>
Other Financial Assets — Non-current (Note 6)				
	<u>468,308</u>	<u>-</u>	<u>483,269</u>	<u>-</u>
Property, Plant and Equipment, at cost (Notes 2 and 4(g)):				
Land	2,830,983	1	3,248,728	1
Buildings and structures	23,975,458	11	21,176,666	10
Machinery and equipment	45,331,786	20	47,001,792	22
Warehousing equipment	112,268	-	82,247	-
Equipment instruments	1,630,341	1	2,084,711	1
Transportation equipment	198,608	-	193,417	-
Office equipment	1,039,897	-	1,099,888	1
Miscellaneous equipment	5,508,471	3	4,014,304	2
	80,627,812	36	78,901,753	37
Less: Accumulated depreciation	(28,277,988)	(13)	(23,682,995)	(11)
Less: Accumulated impairment	(86,691)	-	(454,082)	-
Prepayments for equipment	2,403,392	1	5,090,371	2
	<u>54,666,525</u>	<u>24</u>	<u>59,855,047</u>	<u>28</u>
Intangible Assets (Notes 2, 4(j) and 6)				
Consolidated debit	890,311	1	882,284	1
Deferred pension cost	4,894	-	8,029	-
Land use rights	2,387,720	1	2,339,884	1
Other intangible assets	465,826	-	474,009	-
	<u>3,748,751</u>	<u>2</u>	<u>3,704,206</u>	<u>2</u>
Other Assets				
Deferred expenses (Notes 2 and 4(j))	3,257,467	1	3,205,267	1
Deferred income tax assets — non-current (Notes 2 and 4(n))	16,988	-	33,338	-
Other assets (Notes 2, 4(g) and 4(i))	1,738,313	1	959,869	1
	<u>5,012,768</u>	<u>2</u>	<u>4,198,474</u>	<u>2</u>
TOTAL ASSETS	<u>\$ 224,554,832</u>	<u>100</u>	<u>216,730,695</u>	<u>100</u>

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

(English Translation of Financial Report Originally Issued in Chinese)
PEGATRON CORPORATION AND ITS SUBSIDIARIES
PRO FORMA CONSOLIDATED BALANCE SHEETS (CONT'D)
DECEMBER 31, 2009 AND 2008

(All Amounts Expressed in Thousands of New Taiwan Dollars, Except for Share Data)

	December 31, 2009		December 31, 2008	
	Amount	%	Amount	%
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current Liabilities:				
Short-term loans (Note 4(k))	\$ 10,879,039	5	14,193,407	7
Short-term notes and bills payable	49,933	-	-	-
Financial liabilities reported at fair value through profit or loss – current (Notes 2 and 4(b))	-	-	409	-
Notes payable	79,147	-	96,185	-
Accounts payable				
– Non-related parties	64,658,372	29	59,294,648	27
– Related parties (Note 5)	1,305,645	1	5,484,475	2
Income tax payable	1,276,165	1	1,600,251	1
Accrued expenses				
– Non-related parties	10,059,126	4	7,979,741	4
– Related parties (Note 5)	24,538	-	62,152	-
Current portion of long-term loans (Note 4(l))	48,006	-	118,751	-
Other financial liabilities – current	1,628,263	1	2,679,107	1
Other current liabilities (Note 5)	5,728,335	2	5,686,325	3
Deferred income tax liabilities (Notes 2 and 4(n))	304	-	16,921	-
	<u>95,736,873</u>	<u>43</u>	<u>97,212,372</u>	<u>45</u>
Long-Term Loans:				
Long-term loans (Note 4(l))	8,078,551	3	8,212,695	4
Other financial liabilities – non-current	241,305	-	251,665	-
	<u>8,319,856</u>	<u>3</u>	<u>8,464,360</u>	<u>4</u>
Other Liabilities:				
Deferred income tax liabilities – non-current (Notes 2 and 4(n))	329,240	-	195,190	-
Other liabilities (Notes 2 and 4(m))	51,210	-	59,788	-
	<u>380,450</u>	<u>-</u>	<u>254,978</u>	<u>-</u>
Total Liabilities	<u>104,437,179</u>	<u>46</u>	<u>105,931,710</u>	<u>49</u>
Stockholders' Equity:				
Common stock – authorized 2,500,000 thousand shares, 2,286,054 thousand shares issued and outstanding in 2009; 1,884,628 thousand shares issued and outstanding in 2008 (Note 4(o))	22,860,539	10	18,846,281	9
Capital surplus (Note 4(o)):				
Premium on capital stock	61,008,589	28	61,008,589	29
Others	2,572,025	1	2,378,085	1
	<u>63,580,614</u>	<u>29</u>	<u>63,386,674</u>	<u>30</u>
Retained earnings (Note 4(o)):				
Legal reserve	545,570	-	-	-
Unappropriated earnings	6,872,642	3	5,602,495	2
	<u>7,418,212</u>	<u>3</u>	<u>5,602,495</u>	<u>2</u>
Other adjustments to stockholders' equity:				
Cumulative translation adjustments	198,092	-	1,909,462	1
Unrecognized loss on pension cost	(3,202)	-	(1,128)	-
Unrealized gain on financial assets	1,680,205	1	241,398	-
	<u>1,875,095</u>	<u>1</u>	<u>2,149,732</u>	<u>1</u>
Total Parent Company's Equity	<u>95,734,460</u>	<u>43</u>	<u>89,985,182</u>	<u>42</u>
Minority Interest	<u>24,383,193</u>	<u>11</u>	<u>20,813,803</u>	<u>9</u>
Total Stockholders' Equity	<u>120,117,653</u>	<u>54</u>	<u>110,798,985</u>	<u>51</u>
Commitments and Contingencies (Note 7)				
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 224,554,832</u>	<u>100</u>	<u>216,730,695</u>	<u>100</u>

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

(English Translation of Financial Report Originally Issued in Chinese)
PEGATRON CORPORATION AND ITS SUBSIDIARIES
PRO FORMA CONSOLIDATED STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER, 2009 AND 2008
(All Amounts Expressed in Thousands of New Taiwan Dollars, Except for Share Data)

	For the Year Ended December 31			
	2009		2008	
	Amount	%	Amount	%
Operating Revenues (Note 5)	\$542,520,189	101	534,684,031	101
Less: Sales returns and allowances	(4,306,165)	(1)	(3,417,736)	(1)
Net sales	538,214,024	100	531,266,295	100
Cost of goods sold (Notes 2, 4(d) and 5, 10(a))	(505,840,992)	(94)	(503,066,274)	(95)
Gross profit	32,373,032	6	28,200,021	5
Operating expenses (Notes 5 and 10(a))				
Selling expenses	(6,343,340)	(1)	(7,834,793)	(1)
General and administrative expenses	(6,531,499)	(1)	(5,631,141)	(1)
Research and development expenses	(8,938,985)	(2)	(6,628,360)	(1)
	(21,813,824)	(4)	(20,094,294)	(3)
Income from operations	10,559,208	2	8,105,727	2
Non-operating income				
Interest income	127,531	-	505,290	-
Investment income under the equity method	312,360	-	93,947	-
Dividend income	13,561	-	90,758	-
Gain on disposal of investments	534,823	-	216,139	-
Gain on valuation of financial assets	116,880	-	-	-
Others (Note 5)	3,050,543	1	2,588,886	-
	4,155,698	1	3,495,020	-
Non-operating expenses				
Interest expense	(153,005)	-	(289,515)	-
Foreign exchange loss, net	(85,587)	-	(175,808)	-
Impairment loss	(478,402)	-	(796,744)	-
Loss on valuation of financial assets	-	-	(55,746)	-
Others	(1,059,904)	-	(803,121)	-
	(1,776,898)	-	(2,120,934)	-
Income before income tax	12,938,008	3	9,479,813	2
Income tax expense (Note 4(n))	(2,354,902)	(1)	(1,315,522)	-
Consolidated net income	<u>\$ 10,583,106</u>	<u>2</u>	<u>8,164,291</u>	<u>2</u>
Income attributable to:				
Shareholders of parent company	\$ 6,764,784	1	5,673,113	1
Minority interest income	3,818,322	1	2,491,178	1
	<u>\$ 10,583,106</u>	<u>2</u>	<u>8,164,291</u>	<u>2</u>
	Before	After	Before	After
	Income Tax	Income	Income Tax	Income
Earnings per share attributable to parent company (Notes 2 and 4(q))				
Primary earnings per share	<u>\$ 3.15</u>	<u>2.96</u>	<u>2.74</u>	<u>3.01</u>
Primary earnings per share — retroactively adjusted			<u>\$ 2.26</u>	<u>2.48</u>
Diluted earnings per share	<u>\$ 3.11</u>	<u>2.92</u>	<u>2.73</u>	<u>2.99</u>
Diluted earnings per share — retroactively adjusted			<u>\$ 2.25</u>	<u>2.47</u>

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

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PEGATRON CORPORATION AND ITS SUBSIDIARIES
PRO FORMA CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
(All Amounts Expressed in Thousands of New Taiwan Dollars, Except for Share Data)

	Retained Earnings				Stock holders' Equity Adjustments			Minority Interest	Total
	Capital Stock	Capital Surplus	Legal Reserve	Unappropriated Earnings	Cumulative Translation Adjustments	Unrecognized Loss on Pension Cost	Unrealized Gain on Financial Instruments		
Balance as of January 1, 2008	\$ 18,846,281	63,410,117	-	(3,705)	(422,058)	(289)	410,174	20,184,061	102,424,581
Pro forma consolidated net income for the year ended December 31, 2008	-	-	-	5,673,113	-	-	-	2,491,178	8,164,291
Interest expense generated from the trust of shareholders of parent Company	-	156,850	-	-	-	-	-	-	156,850
Cumulative translation adjustments	-	-	-	-	2,331,520	-	-	-	2,331,520
Adjustment arising from changes in percentage of ownership in long-term equity investments	-	(180,293)	-	(66,913)	-	-	-	-	(247,206)
Unrealized gain on available-for-sale financial assets of subsidiaries	-	-	-	-	-	(168,776)	-	-	(168,776)
Unrecognized loss on pension cost	-	-	-	-	-	(839)	-	-	(839)
Change in minority interest	-	-	-	-	-	-	-	(1,861,436)	(1,861,436)
Balance as of December 31, 2008	18,846,281	63,386,674	-	5,602,495	1,909,462	(1,128)	241,398	20,813,803	110,798,985
2008 earnings distribution and appropriation:									
Legal reserve	-	-	545,570	(545,570)	-	-	-	-	-
Cash dividends	-	-	-	(882,092)	-	-	-	-	(882,092)
Stock dividends	4,014,258	-	-	(4,014,258)	-	-	-	-	-
Pro forma consolidated net income for the year ended December 31, 2009	-	-	-	6,764,784	-	-	-	3,818,322	10,583,106
Cash dividends distributed by minority interests	-	-	-	-	-	-	-	(1,765,838)	(1,765,838)
Returned investments by decreasing in capital for minority interests	-	-	-	-	-	-	-	(985,909)	(985,909)
Issuance of new shares for cash from minority interests	-	-	-	-	-	-	-	441,894	441,894
Changes in minority interest	-	-	-	-	-	-	-	500,706	500,706
Effect of initial merge to minority interest	-	-	-	-	-	-	-	1,560,215	1,560,215
Interest expense generated from the trust of shareholders of parent company	-	38,022	-	-	-	-	-	-	38,022
Cumulative translation adjustments	-	-	-	-	(1,711,370)	-	-	-	(1,711,370)
Adjustment arising from changes in percentage of ownership in long-term equity investments	-	155,918	-	(52,717)	-	-	-	-	103,201
Unrealized gain on available-for-sale financial assets of subsidiaries	-	-	-	-	-	1,438,807	-	-	1,438,807
Unrecognized loss on pension cost	-	-	-	-	-	(2,074)	-	-	(2,074)
Balance as of December 31, 2009	\$ 22,860,539	63,580,614	545,570	6,872,642	198,092	(3,202)	1,680,205	24,383,193	120,117,653

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

(English Translation of Financial Report Originally Issued in Chinese)
PEGATRON CORPORATION AND ITS SUBSIDIARIES
PRO FORMA CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
(All Amounts Expressed in Thousands of New Taiwan Dollars, Except for Share Data)

	For the Year Ended December 31	
	2009	2008
	Amount	Amount
Cash flows from operating activities:		
Consolidated net income	\$ 10,583,106	8,164,291
Adjustments to reconcile net income to net cash provided by (used in) operating activities activities:		
Depreciation	8,470,010	6,972,994
Amortization	2,315,741	1,387,472
Loss on disposal and retirement of assets, net	114,619	40,352
Impairment loss	478,402	796,744
Income from long-term equity investments over cash dividends received	(265,580)	46,295
Gain on disposal of investments	(457,126)	(159,668)
Interest expense generated from the trust of shareholders of parent Company	38,022	156,850
Ownership of employee stock option and treasury stock were transferred to employee compensation cost	133,384	5,433
Change in assets and liabilities:		
Financial assets and liabilities reported at fair value through profit or loss — current	(2,712,703)	980,012
Notes and accounts receivable	(3,138,526)	(43,462,022)
Other receivables	3,159,386	19,814,873
Inventories	(2,029,702)	17,420,574
Other financial assets — current	(8,232)	(99,289)
Other current assets	(192,492)	(23,285)
Deferred income tax assets and liabilities, net	486,044	(897,446)
Notes and accounts payable	2,123,887	(19,509,091)
Accrued expenses	227,404	(7,807,105)
Other financial liabilities — current	(572,675)	14,899,697
Income tax payable	(358,217)	67,995
Other current liabilities	(104,549)	3,137,495
Accrued pension liabilities / Deferred pension cost	153	(12,649)
Net cash provided by operating activities	18,290,356	1,920,522

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

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PEGATRON CORPORATION AND ITS SUBSIDIARIES
PRO FORMA CONSOLIDATED STATEMENTS OF CASH FLOWS (CONT'D)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
(All Amounts Expressed in Thousands of New Taiwan Dollars, Except for Share Data)

	For the Year Ended December 31	
	2009	2008
	Amount	Amount
Cash flows from investing activities:		
Increase in funds and investments	\$ (1,481,444)	(2,044,315)
Proceeds from disposal of investments	2,387,316	1,492,595
Purchase of intangible assets	(170,481)	(961,387)
Purchase of deferred charges	(1,681,875)	(2,136,677)
Purchase of property, plant and equipment	(6,343,965)	(10,681,492)
Proceeds from sale of assets	689,219	449,432
Returned investments due to subsidiary company's capital decrease	933	151,901
Decrease (Increase) in other financial assets — non-current	18,645	(460,850)
Decrease in other assets	97,499	59,412
Net cash used in investing activities	<u>(6,484,153)</u>	<u>(14,131,381)</u>
Cash flows from financing activities:		
(Decrease) Increase in short-term loans	(3,246,289)	7,935,344
(Decrease) Increase in long-term loans	(192,647)	7,848,548
Increase in short-term notes and bills payable	49,933	-
(Decrease) Increase in other financial liabilities — non-current	(10,359)	93,739
(Decrease) Increase in other liabilities	(17,777)	87,450
Cash dividends	(2,647,930)	(2,763,576)
Returned investments by decreasing in capital of subsidiary company	(985,909)	-
Redemption of treasury stock	(30,550)	(444,727)
Transfer treasury stock to employees	380,256	-
Change in minority interest	-	200,900
Issuance of stock for cash	441,894	-
Net cash (used in) provided by financing activities	<u>(6,259,378)</u>	<u>12,957,678</u>
Foreign exchange rate effects	(927,345)	(27,785)
Effect of changes of certain subsidiaries	(102,636)	(4,160)
Effect of initial consolidation of subsidiaries	263,449	56,231
Net increase in cash	4,780,293	771,105
Cash, beginning of the year	27,065,987	26,294,882
Cash, end of the year	<u><u>\$ 31,846,280</u></u>	<u><u>27,065,987</u></u>
Supplemental disclosures of cash flow information:		
Cash paid during the year for:		
Interest	<u>\$ 173,207</u>	<u>273,238</u>
Income tax	<u>\$ 2,192,944</u>	<u>3,674,715</u>
Non-cash investing and financing activities:		
Current portion of long-term loans	<u>\$ 48,006</u>	<u>118,751</u>
Purchase of property and equipment with cash and other payables:		
Property, plant and equipment	\$ 6,302,708	10,656,679
Add: Other payables, beginning of the year	138,654	163,467
Less: Other payables, end of the year	(97,397)	(138,654)
Cash paid	<u><u>\$ 6,343,965</u></u>	<u><u>10,681,492</u></u>

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PEGATRON CORPORATION AND ITS SUBSIDIARIES
NOTES TO PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Amounts Expressed in Thousands of New Taiwan Dollars,
Except for Per Share Information and Unless Otherwise Stated)

1. Organization and Business

Pegatron Corporation (the “Company”) was established on June 27, 2007, with 5,000 thousand shares outstanding. In order to enhance competitiveness and boost productivity, the Company resolved to accept the OEM business extracted from ASUSTeK Computer Inc. (“ASUSTeK”) to restructure the Company’s business. Pursuant to resolutions of the board of directors on July 2, 2007, the Company elected January 1, 2008, as the effective date for the spin-off of the OEM business from ASUSTeK. In exchange for the net assets acquired and liabilities assumed from this OEM business worth \$70,000,000, the Company issued 1,600,000 thousand shares with par value of \$10 dollars and issued at a premium \$43.75 per share. On April 1, 2008, the company merged with ASUSALPHA Computer Inc., which was the dissolved company under the merger. Moreover, in order to integrate the group’s OEM business, reduce costs and enhance productivity, on April 24, 2008, pursuant to resolutions of the Company’s board of directors, the Company conducted a share swap arrangement with UNIHAN CORPORATION (a 100%-owned subsidiary of ASUSTeK) effective on May 1, 2008. The share swap ratio was 2.8613 shares of UNIHAN CORPORATION to 1 share of the Company’s common stock. In accordance with the share swap arrangement, the Company additionally issued 279,628 thousand new shares with par value of \$10 per share, resulting in additional capital of \$2,796,281. Thereafter, the total outstanding capital amounted to \$18,846,281. After these mergers, The company engages primarily in contract manufacturing and selling of computer products.

The pro forma consolidated financial statements was conducted based on the assumption that the Company was established on January 1, 2006 and at meantime issued 1,884,628 thousand shares, which was resulted in a premium on capital stock of \$61,008,589 to obtain (i) cash, (ii) net assets acquired and liabilities assumed of the OEM business extracted from ASUSTeK, and (iii) 100% ownership of UNIHAN CORPORATION initially owned by ASUSTeK.

As of December 31, 2009 and 2008, these pro forma consolidated financial statements were assumed that 25% ownership of the Company was held by ASUSTeK.

As of December 31, 2009 and 2008, the Company and its subsidiaries (the “Consolidated Company”) had 96,534 and 84,978 employees, respectively.

2. Summary of Significant Accounting Policies

The pro forma consolidated financial statements were based upon the “Taiwan Stock Exchange Corporation Guidelines for Pro Forma Financial Statements Disclosure of Stock Exchange listing Applications by Spin-Off Transferee Companies”. The significant accounting policies and their measurement bases are as follows:

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a. Basis of Pro Forma Consolidation

In order to apply for a simplified listing, the 2009 and 2008 pro forma consolidated financial statements were prepared in accordance with “Article 51-2 of the Taiwan Stock Exchange Corporation Operating Rules” and the “Taiwan Stock Exchange Corporation Guidelines for Pro Forma Financial Statements Disclosure of Stock Exchange Listing Applications by Spin-Off Transferee Companies”. The preparation bases of the pro forma consolidated financial statements are summarized as follows:

1) Basis of pro forma consolidated entities

The 2009 and 2008 pro forma consolidated financial statements were based on the group’s reorganization established for the between the Company and ASUSTeK effective December 31, 2009. These financial statements were derived from the 2009 and 2008 historical audited financial statements of ASUSTeK Computer Inc. and prepared under the management’s assumption that the Consolidated Company was spunoff on January 1, 2006, and operated independently from ASUSTeK. Under these principles, accounts included in the pro forma consolidated financial statements could be directly attributed to the OEM business of the group. If any accounts were not able to be directly attributed to or definitely recognized from the OEM business, they would be allocated on a reasonable basis.

2) Basis of pro forma balance sheets

Other receivables (payables): Following the group’s reorganization mentioned above, the Company adjusted the amounts of other receivables (payables) generated from the pro forma income and losses based on the investee’s financial statements audited by independent accountants.

3) Basis of pro forma stockholders’ equity

i. Common stock

It assumed that the total issued and outstanding capital of the Company were to \$18,846,281 with 1,884,628 thousand shares, with par value of \$10 per share as of January 1, 2006. On June 30, 2009, pursuant to the resolutions of the Company’s board of directors authorized by stockholders’ meeting), the Company capitalized its earnings of \$4,014,258 with 401,426 thousand shares of common stock with par value of \$10 per share. As of December 31, 2009, the issued and outstanding common stock was amounted to a total of \$22,860,539.

ii. Capital surplus

It assumed that the Company issued its above-mentioned capital on January 1, 2006, which resulted in capital surplus from the capital increase in cash, the new shares issued from the spin-off, and the share swap with UNIHAN CORPORATION. The others of capital surplus was generated from interest revenue from the trust of shareholders of parent Company distributed to the employees and adjustment arising from changes in percentage of ownership in long-term investments under equity method in 2009 and 2008.

iii. Unappropriated earnings

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In according with the group's reorganization mentioned above, the Company adjusted the amounts of profit or loss based on the pro forma adjustments with respect to financial statements of the Company's investees which were audited by independent accountants.

iv. Cumulative translation adjustments

Following the group's reorganization mentioned above, the Company recognized the amount of cumulative translation adjustments based on the pro forma adjustments with respect to financial statements of the investee companies which were audited by independent accountants.

4) Basis of Pro Forma Statements of Income

In according to the group's reorganization mentioned above, the Company adjusted the amount of profit or loss based on the pro forma adjustment with respect to financial statements of the Company's investees which were audited by independent accountants.

b. Basis of Consolidation

When the Consolidated Company holds more than 50% of the voting rights of investees (including the exercisable and convertible potential voting rights owned by the Consolidated Company except when there is any evidence indicating that the Consolidated Company has no controlling power considering its percentage of ownership) or when any one of the criteria listed below is met, the Consolidated Company is considered to have control over the investees. The Consolidated Company not only accounts for such investments under the equity method but also consolidates them into the Company's consolidated financial statements quarterly.

- 1) Has ability to have more than half of investee's voting rights with agreement of other investors.
- 2) Has ability to control the financial, operating and human resources functions of investee according to regulations or agreements.
- 3) Has authority to appoint more than half of the members of the board of directors (or its equivalent) to control the board (or its equivalent).
- 4) Has authority to secure more than half of the voting rights of the board of directors (or its equivalent) to control the board (or its equivalent).
- 5) Has other circumstances that prove the controlling power.

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As of December 31, 2009 and 2008, the consolidated subsidiaries were as follows:

Investor	Subsidiary	Nature of business	Shareholding ratio	
			2009.12.31	2008.12.31
The Company	UNIHAN CORPORATION (UNIHAN)	Designing, manufacturing, maintaining and selling computer peripherals and audio-video products	100.00%	100.00%
UNIHAN AND ASUSPOWER INVESTMENT	Ability Enterprise Co., Ltd. (Ability (tw))	Selling computer peripherals, office automation equipment, and digital cameras, retailing and wholesaling, of food products, and leasing	12.63%	12.99%
Ability (tw)	ACTION PIONEER INTERNATIONAL LTD.	Trading activities	100.00%	100.00%
Ability (tw)	VIEWQUEST TECHNOLOGIES INTERNATIONAL LTD.	Selling computer peripherals, digital cameras and electronic components	100.00%	100.00%
Ability (tw)	ASSOCIATION INTERNATIONAL LTD.	Investing activities	100.00%	100.00%
Ability (tw)	ABILITY ENTERPRISE (BVI) CO., LTD. (ABILITY)	Investing activities	100.00%	100.00%
ABILITY	Ability Technology (Dongguan) Co., Ltd.	Producing and selling digital cameras	100.00%	100.00%
Ability (tw)	VIEQUEST TECHNOLOGIES (BVI) INC.	Manufacturing and selling computer peripherals, digital cameras and electronic components	100.00%	100.00%

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Investor	Subsidiary	Nature of business	Shareholding ratio	
			2009.12.31	2008.12.31
Ability (tw)	Ability International Investment Co., Ltd.	Investing activities	100.00%	100.00%
UNIHAN	Unihan Holding Ltd. (Unihan Holding)	Investing activities	100.00%	100.00%
Unihan Holding	CASETEK HOLDINGS LIMITED (CASETEK HOLDING)	Investing and trading activities	100.00%	100.00%
CASETEK HOLDING	SLITEK HOLDINGS LIMITED	Investing and trading activities	100.00%	100.00%
CASETEK HOLDING	CASETEK COMPUTER (SUZHOU) CO., LTD.	Manufacturing, developing and selling computers, computer parts, and application systems, and providing after-sales service	100.00%	100.00%
CASETEK HOLDING	KAEDAR HOLDINGS LIMITED (KAEDAR HOLDING)	Investing and trading activities	100.00%	100.00%
KAEDAR HOLDING	KAEDAR ELECTRONICS (KUNSHAN) CO., LTD.	Tooling module of stainless steel computer cases	100.00%	100.00%
CASETEK HOLDING	KAEDAR TRADING LTD.	Investing and trading activities	100.00%	100.00%
CASETEK HOLDING	CORE-TEK (SHANGHAI) LIMITED	Researching and producing the notebook parts, designing nonmetal tooling, electronic specific equipment and related products, repairing and producing precision equipment, and providing after-sales service	100.00%	100.00%

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Investor	Subsidiary	Nature of business	Shareholding ratio	
			2009.12.31	2008.12.31
CASETEK HOLDING	UNITED NEW LIMITED (UNITED)	Investing and trading activities	51.00%	51.00%
UNITED	AVY PRECISION ELECTROPLATING (SUZHOU) CO., LTD.	Manufacturing and selling electronic and camera components, and accessories	100.00%	100.00%
UNIHAN, ASUSTEK INVESTMENT and Azurewave (Cayman) Holding Inc.	AzureWave Technologies, Inc. (AzureWave)	Manufacturing office machinery, electronic parts and computer peripherals and selling precision equipment, and digital cameras	43.56%	82.35%
AzureWave	Eminent Star Company Limited (Eminent)	Investing activities	100.00%	100.00%
Eminent	Hannex International Limited (Hannex)	Investing activities	100.00%	100.00%
Hannex	Scientek(Hannex) Nanjing Co., Ltd.	Designing, researching and selling computer products	100.00%	100.00%
Eminent	Jade Technologies Limited (Jade)	Investing activities	100.00%	100.00%
Eminent and Jade	Azurewave Technology (Shenzhen) Co., Ltd.	Designing, researching and selling computer products	100.00%	100.00%
AzureWave	EZWAVE TECHNOLOGIES, INC.	Selling computer peripherals	100.00%	100.00%
AzureWave	Azwave Holding (Samoa) Inc. (Azwave Samoa)	Investing activities	100.00%	100.00%

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Investor	Subsidiary	Nature of business	Shareholding ratio	
			2009.12.31	2008.12.31
Azwave Samoa	AzureWave Technologies (Shanghai) Inc.	Manufacturing electronic parts	100.00%	100.00%
Azwave Samoa	AzureLighting Technologies ,INC (Yangzhou)	Manufacturing electronic parts	100.00%	-%
AzureWave	EZWAVE TECHNOLOGIES, INC.	Manufacturing electronic parts	100.00%	-%
UNIHAN	AMA PRECISION INC.(AMA PRECISION)	Designing and developing computer parts	100.00%	100.00%
AMA PRECISION	AMA Technology Corporation	Trading computer peripherals	100.00%	100.00%
AMA PRECISION	AMA Holdings Limited (AMA)	Investing activities	100.00%	100.00%
AMA	METAL TRADINGS LTD. (METAL)	Trading activities	100.00%	100.00%
METAL	FENGSHUO TRADING (TONGZHOU) CO. LTD	Trading activities	100.00%	100.00%
AMA	EXTECH LTD.	Trading electronic parts	90.49%	88.91%
EXTECH LTD.	GRANDTECH PRECISION (TONGZHOU) CO., LTD	Manufacturing, developing and selling electronic parts	100.00%	100.00%
AMA	Toptek Precision Industry(SuZhou) Co., Ltd	Manufacturing and selling new electronic parts and premium hardware	100.00%	100.00%

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Investor	Subsidiary	Nature of business	Shareholding ratio	
			2009.12.31	2008.12.31
The Company and ASUS INVESTMENT	ASUS HOLLAND HOLDING B.V. (AHH)	Investing activities	100.00%	100.00%
AHH	PEGATRON Czech s.r.o.	Installing, repairing and selling electronic products	100.00%	100.00%
The Company	Pegatron Holding Ltd. (Pegatron Holding)	Investing activities	100.00%	100.00%
Pegatron Holding	POWTEK HOLDINGS LIMITED (POWTEK)	Investing and trading activities	100.00%	100.00%
POWTEK	Powtek (Shanghai) Co., Ltd.	Selling main boards, computer peripherals, note books, servers and software, and providing after-sales service	100.00%	100.00%
Pegatron Holding	BOARDTEK HOLDINGS LTD. (CAYMAN) (BOARDTEK CAYMAN)	Investing and holding activities	100.00%	-%
BOARDTEK CAYMAN	BOARDTEK HOLDING LIMITED (BOARDTEK HOLDING)	Investing and trading activities	100.00%	100.00%
BOARDTEK HOLDING	BOARDTEK COMPUTER (SUZHOU) CO., LTD.	Developing, manufacturing and selling new electronic components, circuit boards and related products, and providing after-sales service	100.00%	100.00%

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Investor	Subsidiary	Nature of business	Shareholding ratio	
			2009.12.31	2008.12.31
BOARDTEK HOLDING	BOARDTEK(H.K.) TRADING LIMITED	Trading activities	100.00%	-%
Pegatron Holding	ASLINK PRECISION CO., LTD. (ASLINK)	Investing and trading activities	100.00%	100.00%
ASLINK	ASLINK (H.K.) PRECISION CO., LIMITED	Investing and trading activities	100.00%	100.00%
ASLINK	ASAP INTERNATIONAL CO., LIMITED (ASAP)	Investing activities	59.17%	51.00%
ASAP	ASAP TECHNOLOGY (JIANGXI) CO., LIMITED	Manufacturing and selling data transit wire and cable	100.00%	100.00%
Pegatron Holding	DIGITEK GLOBAL HOLDINGS LIMITED	Investing and trading activities	100.00%	100.00%
Pegatron Holding	MAGNIFICENT BRIGHTNESS LIMITED (MAGNIFICENT)	Investing and trading activities	100.00%	100.00%
MAGNIFICENT	MAINTEK COMPUTER (SUZHOU) CO., LTD.	Manufacturing, developing and selling power supply units, computer cases, computer systems, notebooks, main boards, and computer peripherals, and providing after-sales service	100.00%	100.00%
Pegatron Holding	PROTEK GLOBAL HOLDINGS LTD. (PROTEK)	Investing and trading activities	100.00%	100.00%

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Investor	Subsidiary	Nature of business	Shareholding ratio	
			2009.12.31	2008.12.31
Pegatron Holding	NORTH TEC ASIA LIMITED (NORTH)	Investing and trading activities	100.00%	100.00%
PROTEK AND NORTH	Protek (ShangHai) Limited	Manufacturing, developing and selling computers, printers and electronic components, and providing after-sales service	100.00%	100.00%
Pegatron Holding (Note (A))	COTEK HOLDINGS LIMITED (COTEK)	Investing and trading activities	100.00%	100.00%
COTEK	COTEK ELECTRONICS (SUZHOU) CO., LTD.	R&D, manufacturing and selling new electronic components, providing mold technology, and after-sales service	100.00%	100.00%
Pegatron Holding	TOP QUARK LIMITED (TOP QUARK)	Investing and holding activities	100.00%	-%
TOP QUARK	RUNTOP (SHANGHAI) CO., LTD.	Manufacturing and selling computer parts and peripherals of digital automatic data processors, multimedia computer system accessories, power supply units, network switches, and modems	100.00%	-%
The Company	ASUSPOWER INVESTMENT CO., LTD.	Investing activities	100.00%	100.00%
The Company	ASUS INVESTMENT CO., LTD.	Investing activities	100.00%	100.00%
The Company	ASUSTEK INVESTMENT CO., LTD.	Investing activities	100.00%	100.00%

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Investor	Subsidiary	Nature of business	Shareholding ratio	
			2009.12.31	2008.12.31
ASUSPOWER INVESTMENT, ASUS INVESTMENT and ASUSTEK INVESTMENT	ASROCK Incorporation (ASROCK)	Data storage and processing equipment, manufacturing wired and wireless communication equipment, and whole saling of computer equipment and electronic components	58.65%	58.41%
ASROCK	ASIAROCK TECHNOLOGY LIMITED (ASIAROCK)	Manufacturing and selling database storage and processing equipment	100.00%	100.00%
ASIAROCK	ASROCK EUROPE B.V.	Database service and trading electronic components	100.00%	100.00%
ASIAROCK	CalRock Holdings, LLC.	Office building leasing	100.00%	100.00%
ASROCK	Leader Insight Holdings Ltd. (Leader)	Investing activities	100.00%	100.00%
Leader	Firstplace International Ltd. (Firstplace)	Investing activities	100.00%	100.00%
Firstplace	Asrock America, Inc.	Database service and trading electronic components	100.00%	100.00%
ASUSPOWER INVESTMENT and ASUS INVESTMENT	PEGATRON Mexico, S.A. DE C.V.(Note G)	Sales and repair service center in Mexico	100.00%	100.00%
ASUSPOWER INVESTMENT, ASUS INVESTMENT and ASUSTEK INVESTMENT	KINSUS INTERCONNECT TECHNOLOGY CORP. (KINSUS)	Manufacturing electronic parts, wholesaling and retailing electronic components, and providing business management consultant service	39.00%	39.00%

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Investor	Subsidiary	Nature of business	Shareholding ratio	
			2009.12.31	2008.12.31
KINSUS	KINSUS INVESTMENT CO., LTD (KINSUS INVESTMENT)	Investing activities	100.00%	-%
KINSUS INVESTMENT AND ASUSPOWER INVESTMENT	PEGAVISION CORPORATION	Manufacturing medical appliances	84.45%	-%
KINSUS	KINSUS CORP. (USA)	Developing and designing new technology and products; analyzing marketing strategy and developing new customers	100.00%	100.00%
KINSUS	KINSUS HOLDING (SAMOA) LIMITED (KINSUS SAMOA)	Investing activities	100.00%	100.00%
KINSUS SAMOA	KINSUS HOLDING (CAYMAN) LIMITED (KINSUS CAYMAN)	Investing activities	100.00%	100.00%
KINSUS CAYMAN	KINSUS INTERCONNECT TECHNOLOGY (SUZHOU) CORP.	Manufacturing and selling circuit boards	100.00%	100.00%
ASUSPOWER INVESTMENT, ASUS INVESTMENT AND ASUSTEK INVESTMENT	ASUSPOWER CORPORATION	Investing and trading activities	100.00%	100.00%
ASUSPOWER INVESTMENT, ASUS INVESTMENT AND ASUSTEK INVESTMENT	STARLINK ELECTRONICS CORPORATION (STARLINK)	Manufacturing electronic parts and plastic products, and manufacturing and wholesaling electronic components	100.00%	100.00%

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Investor	Subsidiary	Nature of business	Shareholding ratio	
			2009.12.31	2008.12.31
STARLINK	STRATEGY Technology Co., Ltd.	Investing and trading activities	100.00%	100.00%
ASUS INVESTMENT	ASFLY TRAVEL SERVICE LIMITED	Travel agency	100.00%	100.00%
ASUSPOWER INVESTMENT	PEGATRON TECHNOLOGY SERVICE INC.(Note G)	Sales and repair service center in North America	100.00%	100.00%
ASUSPOWER INVESTMENT	PEGA INTERNATIONAL LIMITED	Design service and sales	100.00%	-%
ASUSPOWER INVESTMENT	PEGATRON JAPAN INC. (NOTE G)	Sales and repair service center in Japan	100.00%	100.00%
ASUSPOWER INVESTMENT , ASUS INVESTMENT AND ASUSTEK INVESTMENT	Lumens Digital Optics Inc. (Lumens)	Researching, manufacturing and selling computer data projectors and related peripherals	56.52% (Note B)	-%
Lumens	Lumens Integration Inc.	Selling computer communication products and peripherals	100.00%	-%
Lumens	Lumens Digit Image Inc. (SOMOA)(Lumens SOMOA)	Investing activities	100.00%	-%
Lumens SOMOA	Lumens (Suzhou) Digital Image Inc.	Researching, manufacturing and selling projectors, projection screens and related products, and providing after-sales service	100.00%	-%

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Investor	Subsidiary	Nature of business	Shareholding ratio	
			2009.12.31	2008.12.31
Lumens	Lumens Europe BVBA	Selling computer communication products and peripherals	100.00%	-%
Lumens	Jie Xin Inc.	Manufacturing and wholesaling electronic parts	94.00%	-%
ASUS INVESTMENT	HUA-YUAN INVESTMENT LIMITED	Investing activities	100.00%	100.00%
The Company	ADVANSUS CORP.	Manufacturing computer peripherals	50.00% (Note C)	50.00% (Note C)
The Company	PEGATRON USA, INC.	Sales and repair service center in North America	100.00%	100.00%
NORTH	NORTH TEC ASIA (SHANGHAI) LIMITED	Manufacturing, developing and selling mobile phones, computers, routers, DTV and electronic components, and providing after-sales service	-% (Note E)	100.00%
Pegatron Holding	STRONG CHOICE GROUP LIMITED	Investing and trading activities	-% (Note D)	100.00%
Pegatron Holding	WEST TEC ASIA LIMITED	Investing and trading activities	-% (Note D)	100.00%

Subsidiaries, which were not included in the consolidated financial statements, were as follows:

Subsidiary	Note	Shareholding ratio	
		2009.12.31	2008.12.31
Azurewave (Cayman) Holding Inc.	This entity is under liquidation, therefore, its profit or loss had not been included in the consolidated financial statements from the date following the effective date of its liquidation.	-%	60.49%
Entertronix International Limited	Due to organization restructuring	-%	100.00%

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Subsidiary	Note	Shareholding ratio	
		2009.12.31	2008.12.31
Asus Service Canada, Inc.	Ceased controlling power	-%	100.00%
LINKTEK PRECISION (SUZHOU) CO., LIMITED	This entity is under liquidation, therefore, its profit or loss had not been included in the consolidated financial statements from the date following the effective date of its liquidation.	-%	100.00%

Note A: Due to the reorganization, the investee was transferred from Strategy Technology Co., Ltd to Pegatron Holding.

Note B: The investee was accounted for as financial assets carried at cost; then, the ability to control is achieved this year.

Note C: The consolidated financial statements include only a proportion of the joint venture owned by the Company.

Note D: STRONG CHOICE GROUP LIMITED and WEST TEC ASIA LIMITED merged with MAGNIFICENT BRIGHTNESS LIMITED in 2009.

Note E: NORTH TEC ASIA (SHANGHAI) LIMITED merged with Protek (ShangHai) Limited in 2009.

All significant inter-company accounts and transactions have been eliminated.

c. Use of Estimates

The preparation of the accompanying consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting periods. Actual results could differ from these estimates.

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d. Foreign Currency Translation

The Consolidated Company records its transactions in New Taiwan dollars. All foreign currency-denominated consolidated subsidiaries record their transactions in their functional currency. Non-derivative foreign currency transactions are recorded at the exchange rates prevailing at the transaction date. At the balance sheet date, monetary assets and liabilities denominated in foreign currencies are translated into New Taiwan dollars using the exchange rates on that date, and the resulting unrealized exchange gains or losses from such translations are reflected in the accompanying statements of income. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the reporting currency using the foreign exchange rates at the balance sheet date. If the non-monetary assets or liabilities are measured at fair value through profit or loss, the resulting unrealized exchange gains or losses from such translation are reflected in the accompanying statements of income. If the non-monetary assets or liabilities are measured at fair value through stockholders' equity, the resulting unrealized exchange gains or losses from such translation are recorded as a separate component of stockholders' equity.

For long-term equity investments in foreign investees which are accounted for by the equity method, their foreign currency-denominated assets and liabilities are translated at the spot rate on the balance sheet date; the components of their stockholders' equity are translated at the historical rate except for the beginning balance of retained earnings, which is translated using the spot rate at the beginning of the year. Income statement accounts are translated at the weighted-average rate of the year. Translation differences are accounted for as cumulative translation adjustments to stockholders' equity.

e. Basis for Classifying Assets and Liabilities as Current or Non-current

Unrestricted cash, cash equivalents, assets held for trading, or other assets that the Company will convert to cash or use within in a relatively short period of time — one year or one operating cycle, whichever is longer — are classified as current assets; other assets are classified as non-current assets. Debts due within one year or one operating cycle, whichever is longer, are classified as current liabilities; other liabilities are classified as non-current liabilities.

f. Asset Impairment

The Consolidated Company adopted Statement of Financial Accounting Standards No. 35 (SFAS 35) "Impairment of Assets". In accordance with SFAS 35, the Company assesses at each balance sheet date whether there is any indication that an asset (individual asset or cash-generating unit other than goodwill) may have been impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The Company recognizes impairment loss for an asset whose carrying value is higher than the recoverable amount.

The Consolidated Company reverses an impairment loss recognized in prior periods for assets other than goodwill if there is any indication that the impairment loss recognized no longer exists or has decreased. The carrying value after the reversal should not exceed the recoverable amount or the depreciated or amortized balance of the assets assuming no impairment loss was recognized in prior periods.

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The Consolidated Company assesses the goodwill and intangible assets that have indefinite lives or that is not yet available for use on an annual basis and recognizes an impairment loss on the carrying value in excess of the recoverable amount. The loss is first recorded against the goodwill allocated to the CGU, with any remaining loss allocated to other assets on a pro rata basis proportionate to their carrying amounts. The write-down of goodwill cannot be reversed in subsequent periods under any circumstances.

g. Financial Instruments

The Consolidated Company classifies investments in financial assets as financial assets / liabilities reported at fair value through profit or loss or financial assets carried at cost.

Financial instrument transactions are recorded at the trading date. Financial instruments other than those held for trading are initially recognized at fair value plus transaction costs, while those held for trading are carried at fair value.

Subsequent to initial recognition, financial instruments are classified, depending on the Company's intention, as follows:

i. Financial assets or liabilities reported at fair value through profit or loss

These financial assets and liabilities are subsequently measured at fair value with changes in fair value recognized in profit and loss. Stocks of listed companies, convertible bonds and closed-end funds are measured at closing prices on the balance sheet date. Open-end funds are measured at the unit price of the net assets on the balance sheet date.

A financial asset or financial liability may be designated as at fair value through profit or loss only when either of the following conditions is met:

(1)The financial asset or financial liability designated is a hybrid financial instrument.

(2)It eliminates or significantly reduces a measurement or recognition inconsistency.

(3)A group of financial assets, financial liabilities or both is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy.

ii. Financial assets carried at cost

Equity investments without reliable market prices, including emerging and other unlisted stocks, are measured at cost. If objective evidence of impairment exists, the Consolidated Company recognizes impairment loss, which is not reversed in subsequent periods.

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iii. Available-for-sale financial assets

Available-for-sale financial assets are measured at fair value, and changes therein, other than impairment losses and foreign exchange gains and losses on available-for-sale monetary items, are recognized directly in equity. When an investment is derecognized, the cumulative gain or loss in equity is transferred to profit or loss. If there is objective evidence which indicates that a financial asset is impaired, a loss is recognized in earnings. If, in a subsequent period, the amount of the impairment loss decreases, for equity securities, the previously recognized impairment loss is reversed to the extent of the decrease and recorded as an adjustment to equity; for debt securities, the amount of the decrease is recognized in profit or loss, provided that the decrease is clearly attributable to an event which occurred after the impairment loss was recognized.

h. Notes and Accounts Receivable, and Allowance for Doubtful Accounts

Allowance for doubtful accounts is based on the aging analysis and results of the Consolidated Company's evaluation of the collectability of outstanding receivable balances.

i. Inventories

Inventories are carried at the lower of cost or market value using a perpetual inventory basis. Cost is determined using the weighted-average method. Market value is determined by replacement value. A provision for inventory devaluation is recorded when the market value of inventories is less than cost. The fair value of finished goods, merchandise and work in process is determined on the basis of net realizable value, while the fair value of raw material is determined by replacement value. A provision for inventory devaluation and obsolescence is recorded as allowance for loss based on certain percentages according to the aging of inventories.

Effective January 1, 2009, the Consolidated Company adopts Republic of China Statement of Financial Accounting Standards (SFAS) No. 10 "Inventories". According to SFAS 10, the cost of inventories includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the weighted average cost principle. Net realizable value determined based on the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses at the end of the period.

j. Non-current Assets Held for Sale

Non-current assets are classified as held for sale if their carrying amounts are recoverable through a sale transaction within one year rather than through continuing use. Non-current assets held for sale (disposal group) are measured at the lower of carrying amount or fair value less costs to sell.

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k. Long-Term Equity Investments (Including Joint Ventures)

Long-term equity investments in which the Company, directly or indirectly, owns 20% or more of the investee's voting shares, or less than 20% of the investee's voting shares but is able to exercise significant influence over the investee's operating and financial policies, are accounted for under the equity method.

Investment in a joint venture which the Company has the ability to control is accounted for under the equity method. Also, such investment is included in the consolidated financial statements by using the proportionate consolidation method on the balance sheet date.

Unrealized profits/losses on inter-company transactions are eliminated and deferred. Regardless of whether inter-company transactions are downstream or upstream transactions, unrealized inter-company gains and losses are eliminated in proportion to the shareholding ratio, except for those in downstream transactions, where gain or loss is fully eliminated when a controlling interest exists. Unrealized gains and losses resulting from transactions between investee companies are eliminated in proportion to the shareholding ratio if a controlling interest exists. Otherwise, the unrealized gains or losses are eliminated according to the shareholding ratio. Gains and losses resulting from transactions involving depreciable assets are recognized ratably over their economic lives, while those from other assets are recognized immediately.

Cost and gains or losses on disposal of long-term equity investments are determined by the weighted-average method. Capital surplus from disposal of such investments is reduced by the percentage sold, with gains and losses included in current earnings.

The change in the carrying value of long-term equity investment as a result of the change in percentage of equity ownership due to disproportionate subscription to additional shares issued by the investee company is charged against capital surplus. When the balance of capital surplus arising from long-term equity investments is insufficient, the difference is charged against retained earnings.

l. Property, Plant, and Equipment, and Depreciation

Property, plant, and equipment are stated at cost. Interest expense incurred up to the time when the asset is ready for its intended use is capitalized as part of the acquisition cost. Major additions, improvements, and replacements are capitalized.

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Depreciation is provided over the estimated economic lives using the straight-line method. Assets still in use at the end of their estimated useful lives are continuously depreciated based on their estimated remaining useful lives and estimated salvage values. Economic lives of major property and equipment are as follows:

Buildings and structures	3 to 60 years
Machinery and equipment	2 to 10 years
Warehousing equipment	5 to 10 years
Electronic Instrument	1 to 5 years
Transportation equipment	1 to 20 years
Office equipment	1 to 7 years
Miscellaneous equipment	1 to 20 years

Gain and loss on disposal of properties are recorded as non-operation income or loss.

Rental assets and idle fixed assets, which are not used for operating purposes, are classified as other assets.

m. Intangible Assets

According to the Statement of Financial Accounting Standards No. 37 (SFAS 37) "Intangible Assets", intangible assets are stated at cost, except for a government grant, which is stated at fair value. Intangible assets with finite life are measured at cost plus the revaluation increment arising from the revaluation in accordance with the laws, less any accumulated amortization and any impairment losses.

The amortizable amount of intangible assets with finite lives is determined after deducting their residual value. Amortization is recognized as an expense on a straight-line basis over the estimated useful lives of intangible assets from the date that they are made available for use. The economic useful lives of intangible assets are as follows:

Computer software cost	1 to 5 years
Trademarks	5 to 20 years
Patent	2 to 10 years
Land use right	20 to 50 years

The residual value, the amortization period, and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Any changes therein are accounted for as changes in accounting estimates.

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Under the purchase method, the excess of acquisition costs over the fair value of identifiable assets assumed is recorded as goodwill. Goodwill is measured at its cost less impairment losses.

The Consolidated Company evaluates intangible assets periodically for impairment in accordance with Statement of Financial Accounting Standards No. 35 (SFAS 35) "Impairment of Assets".

n. Deferred Expenses

The costs of renovation projects, molds, fixtures and office decorations are deferred and amortized equally over 9 months to 10 years by the straight-line method.

o. Pension Plan

Domestic public companies in the Republic of China, have adopted SFAS No. 18 "Accounting for Pensions" as the basis of accounting for their defined benefits pension plan. Net periodic pension cost recognized in accordance with SFAS No. 18, includes the current service cost, amortization of net transition asset or obligation, prior service cost, and amortization of unrecognized gain (loss) on the pension plan on a straight-line basis over the expected average remaining service period of the employees in accordance with the rules set by the SFB. Under this plan, these entities contribute monthly an amount equal to a certain percentage of gross salary to a pension fund, which is deposited into a designated depository account with a Bank of Taiwan.

Pursuant to the Labor Pension Act, domestic private companies in the Republic of China, contribute an amount equal to 6% of gross salary of each employee to the Council of Labor Affairs. These contributions are recognized as pension expense during the period when contributions are made.

The Company and some subsidiaries adopt a defined contribution pension plan according to the regulations of their respective jurisdiction and recognize monthly pension contributions as current expenses. According to the regulations of the Peoples Republic of China government, the subsidiaries in mainland China contribute basic retirement insurance fees equal to the specified percentages of each employee's salary and recognize these fees as current expenses.

Other overseas subsidiaries contribute pension costs periodically on the basis of the local labor law of each subsidiary's registered jurisdiction.

p. Warranty Reserve

A warranty reserve is provided for products sold with a warranty based on estimated warranty service cost and considering past experience, such as historical return rates, repair costs, failure rates and warranty period.

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q. Revenue Recognition

Revenue is recognized when title to the product and the risks and rewards of ownership are transferred to the customer; otherwise, revenue recognition is deferred until these criteria are met. The related cost and expenses are recognized as the revenue is recognized. The expenses are recognized on an accrual basis.

r. Classification of Capital and Operating Expenditures

Expenditures that benefit the Consolidated Company in future years are capitalized, while immaterial expenditures or those with no future benefits are treated as current expense or loss.

s. Commitments and Contingencies

If loss from a commitment or contingency is deemed highly likely and the amount can be reasonably estimated, then such loss is immediately recognized. Otherwise, only the nature of such loss is disclosed in the notes to the financial statements.

t. Income Tax

In accordance with Statement of Financial Accounting Standards No. 22 (SFAS 22) "Income Taxes", income taxes are accounted for using the asset and liability method. The income tax effects resulting from deductible temporary differences, loss carryforwards, and investment tax credits are recognized as deferred income tax assets. The realization of the deferred income tax assets is evaluated, and if it is considered more likely than not that the deferred tax assets will not be realized, a valuation allowance is recognized accordingly. The Consolidated Company recalculates deferred income tax liabilities and deferred income tax assets based on the newly modified statutory income tax rate, and reports the difference between the newly calculated amount and the originally calculated one as current expense or benefit. Adjustments to prior years' income taxes are reported as current income taxes.

Deferred income tax assets or liabilities are classified as current and non-current in accordance with the nature of the related assets and liabilities or the length of time to their reversal.

Income taxes credits from the purchase of equipment, technical research and development, and personnel training are recognized by the flow-through method.

The 10% surtax on undistributed earnings of the Consolidated Company is reported as current expense on the date when the stockholders resolve not to distribute the earnings during their annual meeting.

The income tax for each consolidated entity is reported on an individual basis with the relevant jurisdiction and is not reported on a consolidated basis. The consolidated income tax expense is the total of income tax expenses for all consolidated entities.

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u. Employee Stock Option

The Consolidated Company uses the intrinsic value method to recognize compensation costs for its employee stock options whose grant date is after January 1, 2004, and before December 31, 2007. Under this method, the Consolidated Company recognizes the difference between the market price of the stock on the date of grant and the exercise price of its employee stock option as compensation cost. Compensation costs are recognized as expenses over the employees' service period as defined in the Employee Stock Option Rules. Relevant changes in owners, equity resulting from the recognition of compensation costs from employee stock options are also reflected in the consolidated statements.

Equity-settled share-based payments of the Consolidated Company granted on or after January 1, 2008, are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed over the vesting period, with a corresponding increase in equity.

v. Earnings per Share ("EPS")

Earnings per share of common stock are determined based on net income available to common stockholders divided by the weighted-average number of outstanding shares of common stock. The effect on earnings per share from an increase in capital stock through the distribution of stock dividends from inappropriate earnings, capital surplus, or employee stock bonuses approved in the annual stockholders' meetings held before and in 2008 is computed retroactively.

Diluted EPS are calculated by dividing net income by the weighted-average number of common shares used in the basic EPS calculation plus the number of common shares that would be issued assuming all potentially dilutive common shares are converted and outstanding. The employee bonuses appropriated after January 1, 2008, potentially dilutive common shares. If a dilutive effect does not exist, only basic EPS are disclosed; otherwise, diluted EPS are disclosed in addition to the basic EPS.

w. Spin-Off Transactions

Spinoff transactions are accounted for by Interpretation (91) 128 issued by the ROC Accounting Research and Development Foundation, under which a transferee company recognizes at book value the assets received and liabilities assumed from a transferor company. However, if there is any impairment loss happened, the capitalized cost of the transferee company shall be net of impairment losses. Based on the net value of assets and liabilities the transferee company recognized, an amount equal to net value is accounted for as capital stock, and the amount in excess of net value is accounted for as paid-in capital.

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x. Business Combinations

A combination transaction is accounted for by the Interpretations (91) 243 and (91) 244 issued by the ROC Accounting Research and Development Foundation. The Consolidated Company made the combination for group restructuring purposes, in accordance with the Interpretation. On the effective date of the combination, the surviving company acquired assets from the terminated company and credited the long-term investment account.

y. Employee Bonuses and Remuneration to Directors and Supervisors

Appropriations for employee bonuses and remuneration to directors and supervisors are accounted for by Interpretation (96) 052 issued by the ROC Accounting Research and Development Foundation. In accordance with this Interpretation, the Company estimates the amount of employee bonuses and remuneration to directors and supervisors and recognizes it as expenses in the year when services are rendered. The differences between the amounts approved in the shareholders' meeting and those recognized in the financial statements, if any, are accounted for as changes in accounting estimates and recognized in profit or loss.

3. Reasons for and Effect of Accounting Changes

Effective January 1, 2009, the Consolidated Company adopted Republic of China Statement of Financial Accounting Standards (SFAS) No. 10 "Inventories". According to SFAS 10, fixed production overheads are allocated to finished goods and work in process inventories based on the normal capacity of production facilities. Inventories are measured individually at the lower of cost or net realizable value. The effects of the adoption of this new accounting principle on net income and earnings per share for the year ended December 31, 2009, were as follows:

Nature of change in accounting principle	Effect of account	Decrease in net income (after income tax)	Decrease in EPS
Allocation of fixed production overheads based on the normal capacity	Cost of goods sold	\$ 116,562	0.05
Measurement of inventories individually	"	26,710	0.01
Total		\$ 143,272	0.06

Effective January 1, 2008, the Consolidated Company adopts Republic of China Statement of Financial Accounting Standards (SFAS) No. 39 "Share-based Payment" and Interpretation (96)052 issued by the ROC Accounting Research and Development Foundation (ARDF) in the accounting of employee bonuses and directors' and supervisors' remuneration. The adoption of these new accounting principles decreased net income attributable to stockholders of the parent and earnings per share by \$906,597 and \$0.48(NT dollars), respectively, for the year ended December 31, 2008.

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4. Summary of Major Accounts

a. Cash

	<u>December 31, 2009</u>	<u>December 31, 2008</u>
Cash on hand	\$ 40,329	148,182
Demand deposits	17,738,019	8,173,933
Time deposits	14,067,932	18,743,872
Total	<u>\$ 31,846,280</u>	<u>27,065,987</u>

b. Financial Instruments

(i) The components of financial instruments were as follows:

	<u>December 31, 2009</u>	<u>December 31, 2008</u>
Financial assets reported at fair value through profit or loss — current		
Financial assets held for trading — current:		
Stocks of listed companies	\$ 209,202	34,873
Beneficiary certificates	6,263,933	2,867,440
Currency swap contracts	12,112	4,264
Overseas notes	301,862	289,167
Depository receipts	10,389	16,171
Corporate bonds	540,039	699,351
Sub-total	<u>7,337,537</u>	<u>3,911,266</u>
Financial assets designated as at fair value through profit or loss — current:		
Structure notes	-	40,738
Total	<u>\$ 7,337,537</u>	<u>3,952,004</u>
Available-for-sale financial assets — current:		
Stocks of listed companies	\$ 77,925	8,881
Stock of overseas listed companies	943,488	-
Total	<u>\$ 1,021,413</u>	<u>8,881</u>

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	December 31, 2009	December 31, 2008
Available-for-sale financial assets		
— non-current:		
Stocks of listed companies	\$ 1,693,881	837,958
Stock of overseas listed companies	551,767	-
Total	\$ 2,245,648	837,958
	December 31, 2009	December 31, 2008
Financial assets carried at cost		
— non-current:		
Equity securities — common stock	\$ 609,243	1,295,298
Financial liabilities reported at fair value through profit or loss — current		
Financial liabilities held for trading		
— current:		
Forward exchange contracts	\$ -	409

(ii) Financial assets reported at fair value through profit or loss

For the years ended December 31, 2009 and 2008, the Consolidated Company recognized a gain and a loss on financial assets reported at fair value through profit or loss of \$116,880 and \$55,746, respectively.

(iii) Available-for-sale financial assets

Based on the results of its impairment assessment, the Consolidated Company recognized an impairment loss on available-for-sale financial assets of \$61,662 and \$132,143 for the year ended December 31, 2009 and 2008, respectively.

For the years ended December 31, 2009 and 2008, the unrealized gains and losses on available-for-sale financial assets amounted to \$1,574,634 and \$243,075, respectively.

(iv) Financial assets carried at cost

Impairment loss recognized on financial assets carried at cost amounted to \$38,788 and \$172,317 for the years ended December 31, 2009 and 2008, respectively.

On June 10, 2009, KINSUS INTERCONNECT TECHNOLOGY CORP (KINSUS) had formally contracted with Solar Technology Investment (Cayman) Corp., under which, KINSUS will sell its ownership of the shares of Kinmacsolar Co., Ltd. to Solar Technology Investment (Cayman) Corp. for \$236,739, purposely to subscribe to the new issued shares from Solargiga Energy Holdings Limited. However, this contract was terminated as of December 31, 2009, because the procedures for the transfer of ownership were not completed.

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- (v) As of December 31, 2009 and 2008, the components of financial derivatives of Ability Enterprise Co., Ltd. were as follows:

<u>Financial Instruments</u>	<u>December 31, 2009</u>		<u>December 31, 2008</u>	
	<u>Book Value</u>	<u>Nominal Principal (thousands)</u>	<u>Book Value</u>	<u>Nominal Principal (thousands)</u>
Derivative financial assets:				
Currency swap contracts	<u>\$ 12,112</u>	USD 49,600	<u>4,264</u>	USD 31,740
Derivative financial liabilities:				
Forward exchange contracts	<u>\$ -</u>	-	<u>409</u>	EUR 2,509

For the years ended December 31, 2009 and 2008, Ability Enterprise Co., Ltd. entered into forward exchange contracts and currency swap contracts with financial institutions in order to hedge the exchange rate risk. For the years ended December 31, 2009 and 2008, the gains from valuation of financial assets reported at fair value through profit or loss were \$12,112 and \$3,855, respectively.

c. Notes and Accounts Receivable

- (i) Non-related parties

	<u>December 31, 2009</u>	<u>December 31, 2008</u>
Notes receivable	\$ 64,740	12,102
Less: Allowance for doubtful accounts	(339)	(241)
Net	<u>64,401</u>	<u>11,861</u>
Accounts receivable	54,843,416	55,818,837
Less: Allowance for doubtful accounts	(703,377)	(797,407)
Net	<u>54,140,039</u>	<u>55,021,430</u>
Total	<u>\$ 54,204,440</u>	<u>55,033,291</u>

- (ii) Related parties

	<u>December 31, 2009</u>	<u>December 31, 2008</u>
Notes receivable	\$ 9,390	-
Accounts receivable	13,599,030	8,718,987
Less: Allowance for doubtful accounts	(707)	-
Net	<u>13,598,323</u>	<u>8,718,987</u>
Total	<u>\$ 13,607,713</u>	<u>8,718,987</u>

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(iii) As of December 31, 2009 and 2008, KINSUS INTERCONNECT TECHNOLOGY CORP. sold its accounts receivable without recourse as follows:

Purchaser	Amount Derecognized		Credit Advanced		Collateral	Credit (thousands)	
	December 31		December 31			December 31	
	2009	2008	2009	2008		2009	2008
Mega International Commercial Bank	<u>\$ 313,090</u>	<u>233,717</u>	<u>192,404</u>	<u>-</u>	None	USD 30,000	USD 30,000

d. Inventories

	<u>December 31, 2009</u>	<u>December 31, 2008</u>
Merchandise	\$ 1,824,315	1,641,805
Finished goods	14,477,390	15,710,392
Work in process	3,497,250	4,065,797
Raw materials	23,943,479	21,185,546
Inventories-in-transit	2,138,557	1,229,474
Subtotal	<u>45,880,991</u>	<u>43,833,014</u>
Less: Allowance for inventory market decline and obsolescence	(2,471,059)	(2,681,621)
Total	<u>\$ 43,409,932</u>	<u>41,151,393</u>

For the years ended December 31, 2009 and 2008, the components of cost of goods sold were as follows:

	<u>December 31, 2009</u>	<u>December 31, 2008</u>
Cost of goods sold	\$ 505,605,553	501,642,432
Loss on disposal of scrapping	320,852	396,810
Idle capacity	105,375	-
(Gain) Loss on inventory valuation and obsolescence	(68,659)	1,674,987
Others	(122,129)	(647,955)
	<u>\$ 505,840,992</u>	<u>503,066,274</u>

In accordance with Statement of Financial Accounting Standards (SFAS) No. 10, the loss on physical inventory and revenue from disposal of scraps (originally reflected under non-operating income and expense) of \$24,589 and \$672,544, respectively, in 2008 were both reclassified to the cost of goods sold for the year ended December 31, 2008.

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e. Long-Term Equity Investments

<u>Name of Investee Company</u>	<u>December 31, 2009</u>		<u>December 31, 2008</u>	
	<u>Equity Holding</u>	<u>Book Value</u>	<u>Equity Holding</u>	<u>Book Value</u>
YORKEY OPTICAL INTERNATIONAL (CAYMAN) LTD.	-%	\$ -	20.69%	1,169,211
INDEED HOLDINGS LIMITED	49.00%	726,939	49.00%	471,971
Avy Precision Technology Inc.	20.39%	750,051	19.60%	359,343
WILSON HOLDINGS LIMITED	49.00%	160,340	49.00%	153,279
ASHINE PRECISION CO., LTD.	-%	-	40.00%	141,989
EVER PINE INTERNATIONAL LTD. (BVI)	34.65%	121,207	34.65%	136,963
PENTAX VQ CO., LTD.	40.00%	58,530	40.00%	62,164
WISE INVESTMENT LIMITED	48.78%	37,125	48.78%	35,758
SHIN-EI YORKEY INTERNATIONAL LTD. (BVI)	50.00%	28,420	50.00%	29,971
ZhangJiaGang Dongbu High Technology Metal Products Co., LTD	20.00%	42,333	20.00%	29,723
YOFREE TECHNOLOGY CO., LTD.	17.50%	9,867	33.33%	4,282
Subtotal		1,934,812		2,594,654
Add: Fair value adjustment for identifiable assets		61,832		71,340
Total		<u><u>\$ 1,996,644</u></u>		<u><u>2,665,994</u></u>

Investment income of \$312,360 and \$93,947 for the years ended December 31, 2009 and 2008, respectively, was recognized under the equity method based upon the financial statements of investee companies audited by independent accountants.

Avy Precision Technology Inc., a subsidiary of Ability Enterprise Co., Ltd., had swapped its equity shares with AzureWave Technologies, Inc., which resulted in a difference between acquisition cost and fair value of the identifiable long-term investment. Since the Consolidated Company has the ability to control Ability Enterprise Co., Ltd., the difference of \$61,832 and \$71,340 as of December 31, 2009 and 2008, respectively, was adjusted using the equity method of accounting based on the percentage of ownership of the Consolidated Company, in accordance with Republic of China Statement of Financial Accounting Standards (SFAS) No. 25 "Business Combinations".

In accordance with the Republic of China Statement of Financial Accounting Standards (SFAS) No. 35 "Impairment of Assets", an impairment loss of \$240,000 was recognized on goodwill generated from the acquisition of Ability Enterprise Co., Ltd. for the year ended December 31, 2008, which was accounted for under the purchasing method.

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Since August, 2009, the Consolidated Company had continuously disposed the shares of YORKEY OPTICAL INTERNATIONAL (CAYMAN) LTD. Consequently, its equity ownership was reduced to less than 20% of the investee's voting shares and lost significant influence over the investee's operating and financial decisions. Therefore, the Consolidated Company discontinued accounting for its investment on this investee under the equity method. Moreover, pursuant to the resolutions of the board of directors, the Consolidated Company reclassified this investment from long-term equity investment under the equity method to available for sale financial assets – current.

In February 2008, Ability Enterprise Co., Ltd subscribed for 5,000 thousand shares at \$13.5 per share from the issuance of new shares for cash by ASHINE PRECISION CO., LTD., an investee of Ability Enterprise Co., Ltd. Ability Enterprise Co., Ltd sold to its related party, Avy Precision Technology Inc., its entire ownership of 10,000 thousand shares of ASHINE PRECISION CO., LTD. for \$17.8 per share and recognized a gain and unrealized gain thereon of \$26,166 and \$7,488, respectively. (Unrealized gain was accounted for other liabilities-other).

f. Joint Venture Investments

The Company had equity investment in ADVANSUS CORP., which is a joint venture entity. As of December 31, 2009 and 2008, the issued capital of ADVANSUS CORP., amounted to \$360,000 and \$600,000, respectively, of which 50% was held by the Company as of the same dates. The financial accounts of ADVANSUS CORP., which were included in the Company's consolidated financial statements, were as follows:

	<u>December 31, 2009</u>	<u>December 31, 2008</u>
Current assets	\$ 487,823	420,029
Non-current assets	17,290	24,495
Current liabilities	283,972	134,951
Other liabilities	742	345
	<u>For the Year Ended December 31,</u>	
	<u>2009</u>	<u>2008</u>
Revenues	\$ 1,473,862	978,070
Expenses	1,442,692	955,173

g. Property, Plant and Equipment, Idle Assets, and Rental Assets

(i) Property, plant and equipment

Based on the results of its evaluation of the recoverability of property, plant and equipment, the Consolidated Company recognized a gain on recovery of impairment of assets amounting to \$564,687 and a loss on impairment of assets amounting to \$135,825 for the years ended December 31, 2009 and 2008, respectively.

Please refer to Note 6 for details regarding the property, plant, and equipment pledged as collateral.

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(ii) Rental assets

1) As of December 31, 2009 and 2008, the components of rental assets were as follows:

	<u>December 31, 2009</u>	<u>December 31, 2008</u>
Land	\$ 336,171	210,743
Buildings	575,303	426,981
Less: accumulated depreciation	(114,077)	(71,842)
Less: accumulated impairment	(69,061)	-
Add: fair value adjustment for identifiable assets	9,692	11,104
	<u>\$ 738,028</u>	<u>576,986</u>

2) In accordance with SFAS 25, the Consolidated Company had control over Ability Enterprise Co., Ltd. through a share swap and adjusted the difference between the acquisition cost and the fair value of the rental assets based on the Consolidated Company's percentage of ownership. As of December 31, 2009 and 2008, the fair value adjustments for identifiable assets amounted to \$9,692 and 11,104, respectively.

(iii) Idle assets

1) As of December 31, 2009 and 2008, the components of idle assets were as follows:

	<u>December 31, 2009</u>	<u>December 31, 2008</u>
Land	\$ 374,609	78,998
Buildings	612,220	54,250
Machinery and others	1,873,455	462,221
Less: accumulated depreciation	(1,024,369)	(327,250)
Less: accumulated impairment	(988,657)	(187,670)
	<u>\$ 847,258</u>	<u>80,549</u>

2) As these idle assets were not used in operations, the Consolidated Company recognized their net fair value as the recoverable amount. For the years ended December 31, 2009 and 2008, impairment loss recognized for these idle assets amounted to \$942,639 and \$116,459, respectively.

3) Please refer to Note 6 for details of idle assets pledged as collateral.

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h. Non-Current Assets Held for Sale

Items	December 31, 2008		
	Cost	Accumulated Depreciation	Book Value
Land	\$ 110,115	-	110,115
Buildings and structures	58,203	18,064	40,139
	168,318	18,064	150,254
Add: Fair value adjustment for identifiable assets			32,622
			\$ 182,876

The Consolidated Company achieved control over Ability Enterprise Co., Ltd. through a share swap and adjusted the difference between the acquisition cost and the fair value of the non-current assets held for sale based on the Consolidated Company's percentage of ownership, in accordance with SFAS 25. As of December 31, 2008, the fair value adjustment amounted to \$32,622.

In March 2009, Ability Enterprise Co., Ltd. formally contracted with non-related parties to sell its non-current assets held-for-sale for \$360,000. The gain on disposal thereof amounted to \$178,573, after deducting the carrying value and related expenses.

i. Other Assets – Other

Due to the restriction imposed by local government, KINSUS INTERCONNECT TECHNOLOGY CORP. (KINSUS) purchased farmland in the name of KINSUS's chairman instead of KINSUS. Before KINSUS may take over the title to the farmland as well as completing the registration procedures, the land is temporarily recorded as other assets. As of December 31, 2009 and 2008, the book values of the farmland were both \$30,784.

j. Intangible Assets and Deferred Expense

Consolidated debit, which is goodwill, was assessed periodically for impairment in accordance with Republic of China Statement of Financial Accounting Standards (SFAS) No. 35 "Impairment of Assets". As of December 31, 2009 and 2008, the book values of consolidated debit were \$890,311 and \$882,284, respectively.

Land use rights, are rights to use government-owned land. These rights were paid in a lump sum, which was capitalized and amortized equally over their useful lives using the straight-line method. As of December 31, 2009 and 2008, the unamortized amounts of land use rights were \$2,387,720 and \$2,339,884, respectively.

Deferred expenses consist of capitalized costs of small molds, fixtures and office decorations, which are amortized equally over 9 to 10 years by the straight-line method. As of December 31, 2009 and 2008, the unamortized amounts were \$3,257,467 and \$3,205,267, respectively.

Please refer to Note (6) for details of intangible assets pledged as collateral.

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k. Short - Term Loans

	<u>December 31, 2009</u>	<u>December 31, 2008</u>
Credit loans	\$ 10,799,394	13,865,407
Collateralized loan	79,645	328,000
Total	<u>\$ 10,879,039</u>	<u>14,193,407</u>
Range of interest rates	<u>0.44%~5.04%</u>	<u>1.16%~5.82%</u>

The Consolidated Company issued promissory notes as guarantee for part of the credit loan facility.

Please refer to Note 6 for details regarding the related assets pledged as collateral.

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I. Long - Term Loans

<u>Creditor</u>	<u>Usage and redemption duration</u>	<u>December 31, 2009</u>	<u>December 31, 2008</u>
ABN AMRO, Mega International Commercial Bank and 14 other participating financial institutions (Note A)	2008.10.30~2011.10.30, \$1.5 billion is repayable in 3 semi-annual installments, commencing on April 30, 2010, and the remaining amount is payable on the maturity	\$ 7,200,000	8,000,000
Industrial and Commercial Bank of China — Ji-An Branch	2009.10.09~2011.10.08, interest is payable quarterly, and the total outstanding amount is payable on the maturity date.	140,549	-
Mega International Commercial Bank — Lan-Ya Branch	2004.03.31~2009.07.30, interest is payable quarterly, and the total outstanding amount is payable on the maturity date. The entire debt was repaid in advance in 2009.	-	26,750
Mega International Commercial Bank — Lan-Ya Branch	2004.12.31~2011.12.31, payable in 20 quarterly installments, commencing the closest 15th of January, April, July or October of the date of borrowing.	10,720	248,221
Mega International Commercial Bank — Lan-Ya Branch	2005.01.31~2012.01.31, payable in 20 quarterly installments, commencing the date of borrowing with an extension of two years.	53,606	-
Mega International Commercial Bank — Lan-Ya Branch	2009.12.16~2016.12.15, payable in 20 quarterly installments, commencing the date of borrowing with an extension of two years.	348,582	-
The Shanghai Commercial & Savings Bank, Ltd. — Chung-Li Branch	2006.12.08 ~2013.10.15, interest is payable monthly and principal is payable in quarterly installments from the thirteenth month, commencing on the date of borrowing.	21,320	29,167
The Shanghai Commercial & Savings Bank, Ltd. — Chung-Li Branch	2006.12.08 ~2013.10.15, interest is payable monthly and principal is payable in quarterly installments from the thirteenth month, commencing in December 2006. The entire debt was fully repaid in advance on June 30, 2009.	-	27,308
The Shanghai Commercial & Savings Bank, Ltd. — Chung — Li Branch	2009.06.23 ~2014.06.23, interest is payable monthly and principal is payable in quarterly installments from the thirteenth month, commencing the date of borrowing.	95,940	-
The Shanghai Commercial & Savings Bank, Ltd. — Chung — Li Branch	2009.07.23 ~2014.07.15, interest is payable monthly and principal is payable in quarterly installments from the thirteenth month, commencing the date of borrowing.	23,985	-
The Shanghai Commercial & Savings Bank, Ltd. — Chung — Li Branch	2009.11.23 ~2014.10.15, interest is payable monthly and principal is payable in quarterly installments from the thirteenth month, commencing the date of borrowing.	231,855	-
Subtotal		<u>8,126,557</u>	<u>8,331,446</u>
Less: Current portion		<u>(48,006)</u>	<u>(118,751)</u>
		<u>\$ 8,078,551</u>	<u>8,212,695</u>
Range of interest rates		<u>0.89%~4.86%</u>	<u>1.84%~5.82%</u>

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Note A: According to the agreement, during the loan repayment periods, the Company must comply with certain financial covenants based on the audited and reviewed consolidated financial statements on the balance sheet date (June 30 and December 31, respectively) as follows:

- (1) Current ratio (current assets/current liabilities): should not be less than 100%.
- (2) Debt ratio ((total liabilities + contingent liabilities)/tangible net assets): should not be higher than 50%.
- (3) Interest coverage ratio (EBITDA/interest expenses): should not be less than 400%.
- (4) Tangible net assets (stockholders' equity (including minority shareholders) - intangible assets): should not be less than \$90 billion.

The Company's promissory notes were pledged as a guarantee for the credit loan facility.

Please refer to Note 6 for details of the related assets pledged as collateral.

m. Pension Plan

Domestic subsidiaries, which are public or listed, maintain and fund a retirement plan covering all regular employees. Payments of pension benefits are calculated based on the average monthly salary received for the last six months prior to approve retirement and base point (b.p.) entitlement. Each employee earns 2 b.p. each year for the first 15 years of completed service, and 1 b.p. each year commencing from the 16th year and thereafter. The Labor Pension Act of the R.O.C. (the "Act"), which adopts a defined contribution pension plan, took effect from July 1, 2005. In accordance with this Act, employees (who were hired prior to July 1, 2005) of the domestic subsidiaries which are public or listed may elect to be subject to either the Act, and maintain their service years before the enforcement of the Act, or the pension mechanism of the Labor Standards Law. Employees who are hired by the domestic subsidiaries after July 1, 2005, shall comply with the provisions of this Act. For employees subject to this Act, the domestic subsidiaries contribute monthly to the employees' individual pension accounts an amount equal to not less than 6% of the employees' monthly wages and deposit it in a personal retirement benefit account with Bank of Taiwan. However, if there are provisions of the Act which are not yet included in the existing retirement plans of domestic subsidiaries, those domestic subsidiaries still need to comply with those provisions of the Act.

In accordance with the Act, domestic subsidiaries which are non-public companies contribute monthly to the employees' individual pension accounts an amount equal to not less than 6% of the employees' monthly wages and deposit it in a personal retirement benefit account with Bank of Taiwan.

Overseas companies contribute monthly an amount equal to a certain percentage of gross salary to a pension fund in accordance with the policy of each local government.

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For the years ended December 31, 2009 and 2008, the pension costs and related information were as follows:

	For the Year Ended December 31,	
	2009	2008
Balance of pension fund – ending	\$ 94,894	78,972
Current pension costs:		
Defined benefit pension plan	8,819	10,940
Defined contribution pension plan	1,158,130	318,446

(i) The actuarial assumptions used in the actuarial calculation were as follows:

	December 31, 2009	December 31, 2008
Discount rate	2.00%~2.25%	2.50%~2.75%
Future salary increase rate	2.00%~3.00%	2.00%~3.00%
Expected long-term rate of return on pension fund assets	2.00%~2.25%	2.50%~2.75%

(ii) As of December 31, 2009 and 2008, the funded status was reconciled with accrued pension liabilities per books as follows:

	December 31, 2009	December 31, 2008
Benefit obligation:		
Vested benefit obligation	\$ (2,543)	-
Non-vested benefit obligation	(81,994)	(75,227)
Accumulated benefit obligation	(84,537)	(75,227)
Effect of future salary increase	(72,002)	(66,689)
Estimated benefit obligation	(156,539)	(141,916)
Fair value of pension fund assets	94,894	78,972
Funded status	(61,645)	(62,944)
Additional minimum pension liability	(23,599)	(20,087)
Unrecognized net transition obligation	5,180	8,372
Unrecognized gain (loss) on pension fund	61,310	54,526
Accrued pension liability	\$ (18,754)	(20,133)

As of December 31, 2009 and 2008, vested benefit obligations of the Consolidated Company under its pension plan were \$2,543 and \$0, respectively.

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(iii) The net pension costs for the years ended December 31, 2009 and 2008, were as follows:

	<u>For the Year Ended December 31,</u>	
	<u>2009</u>	<u>2008</u>
Service cost	\$ 1,609	1,918
Interest cost	3,548	4,066
Expected return on pension fund assets	(1,984)	(1,770)
Amortization and deferral	5,646	6,726
Net pension costs	<u>\$ 8,819</u>	<u>10,940</u>

n. Income Tax

(i) As of December 31, 2009 and 2008, deferred income tax assets and liabilities were as follows:

	<u>December 31, 2009</u>	<u>December 31, 2008</u>
1) Total deferred income tax assets	\$ 1,709,260	1,994,083
2) Total deferred income tax liabilities	329,544	212,111
3) Allowance for deferred income tax assets	756,058	695,059
4) Deductible temporary differences due to:		
- Unrealized foreign exchange (gain) loss: (taxable) deductible	(80,728)	158,008
- Allowance for inventory market decline and obsolescence: deductible	196,519	471,303
- Unrealized gain on investments: taxable	(358,874)	(207,622)
- Unrealized intercompany profits: (taxable) deductible	(2,257)	12,060
- Recognition of impairment loss on assets: deductible	18,974	23,536
- Warranty reserve: deductible	265,370	321,866
- Allowance for doubtful accounts : deductible	25,727	37,032
- deductible	2,458	3,073
- Others: deductible	17,250	126,662
- Unused balance of investment tax credits	1,221,246	790,274
- Loss carryforward	74,031	45,780

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	<u>December 31, 2009</u>	<u>December 31, 2008</u>
(ii) Deferred income tax assets — current	\$ 1,108,391	1,540,945
Allowance for deferred income tax		
assets — current	(172,177)	(275,259)
Deferred income tax liabilities — current	(304)	(16,921)
(iii) Deferred income tax assets — non-current	\$ 600,869	453,138
Allowance for deferred income tax		
assets — non-current	(583,881)	(419,800)
Deferred income tax liabilities — non-current	(329,240)	(195,190)

(iv) The components of income tax expense were as follows:

	<u>For the Year Ended December 31,</u>	
	<u>2009</u>	<u>2008</u>
Current income tax expense	\$ 2,076,587	2,684,441
Deferred income tax expense (benefit)	28,821	(1,362,158)
Under-accrual of prior years' income tax	249,494	(6,761)
Income tax expense	<u>\$ 2,354,902</u>	<u>1,315,522</u>

The components of deferred income tax expense (benefit) were as follows:

	<u>For the Year Ended December 31,</u>	
	<u>2009</u>	<u>2008</u>
Reversal of (Provisions for) warranty reserve	\$ 105,489	(149,236)
Unrealized exchange gain (loss)	243,627	(162,687)
Unrealized foreign investment gain	141,039	11,307
Loss on doubtful accounts	17,756	(3,502)
Unrealized profits on sales	29,354	(3,067)
Reversal of (Provisions for) loss on allowance for inventory		
market decline and obsolescence	321,151	(336,685)
Investment tax credits	(964,543)	(655,688)
Loss carry-forward	(27,547)	150,802
Reversal (Provisions) for impairment loss on assets	2,152	(69,910)
Others	108,059	(50,102)
Valuation allowance for deferred income tax assets	52,284	(93,390)
Total	<u>\$ 28,821</u>	<u>(1,362,158)</u>

(v) The Company and subsidiaries in the R.O.C. are subject to income tax at a statutory rate of 25%. The Company and subsidiaries in the R.O.C. are also subject to the Income Basic Tax Act to calculate income tax. According to the revised tax law issued on May 27, 2009, this statutory income rate will be reduced to 20% commencing from 2010. Those subsidiaries of the Company located outside of the R.O.C. are subject to income tax according to the tax laws of the related foreign jurisdiction.

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The income tax calculated on pretax financial income at a statutory income tax rate was reconciled with the income tax expense as reported in the accompanying financial statements for the years ended December 31, 2009 and 2008, as follows:

	For the Year Ended December 31,	
	2009	2008
Income tax expense calculated on pre-tax financial income at the statutory tax rate	\$ 4,744,351	3,592,426
Permanent differences	(1,679,629)	(1,525,817)
Tax-exempt income	(100,390)	(5,325)
10% surtax on undistributed earnings	171,326	148,991
Investment tax credits	(538,579)	(553,680)
Unused investment tax credits	(581,870)	(157,938)
Adjustments to deferred tax assets previously	(20,657)	(124,540)
Effect on deferred tax of the change in statutory tax rate	27,466	-
Under - accrual of prior years' income tax	249,494	(6,761)
Valuation allowance for deferred income tax assets	53,048	(52,643)
Basic tax	30,342	809
Income tax expense (benefit)	\$ 2,354,902	1,315,522

- (vi) The Company's tax returns through 2007 have been examined and approved by the Tax Authority.
- (vii) According to ROC Income Tax Act, unused investment tax credits which may be applied to offset against income tax in the future are as follows:

Name of Company	Year of occurrence	Unused investment tax credits	Year of expiration
The Company	2008~2009	\$ 553,053	2012~2013
KINSUS INTERCONNECT TECHNOLOGY CORP.	2006~2009	627,526	2010~2013
ASUS INVESTMENT CO., LTD.	2007	18,725	2011
ADVANSUS CORP.	2008~2009	7,614	2012~2013
STARLINK ELECTRONICS CORPOATION	2006	2,431	2010
AMA PRECISION INC.	2008~2009	11,897	2012~2013
		\$ 1,221,246	

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(viii) According to the ROC Income Tax Act, unused operating loss carryforwards which can be applied to offset against income tax in the future were as follows:

<u>Name of Companies</u>	<u>Year of occurrence</u>	<u>Unused tax credits</u>	<u>Year of expiration</u>
The Company	2009	\$ 13,289	2019
KINSUS INTERCONNECT TECHNOLOGY CORP.	2009	3,575	2019
STARLINK ELECTRONICS CORPORATION	2003~2009	48,127	2013~2019
HUA-YUAN INVESTMENT LIMITED	2007	1	2017
AMA PRECISION INC.	2009	9,039	2019
		<u>\$ 74,031</u>	

(ix) Tax exemption

1) Due to the capital increase for the purposes of investments in new equipment, the Company was granted several income tax exemptions for manufacturing and sales of “motherboards” generated from the above-mentioned equipment. As of December 31, 2009, the five-year income tax exemption periods were as follows:

<u>Description</u>	<u>Exemption period</u>
Ninth capital increase used for investment in new equipment	01/31/2005 ~ 01/30/2010
Tenth capital increase used for investment in new equipment	07/31/2006 ~ 07/30/2011
Eleventh capital increase used for investment in new equipment	04/30/2007 ~ 04/29/2012

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2) The investments of KINSUS INTERCONNECT TECHNOLOGY CORP. for its establishment and expansion conform to the “Regulations Regarding Awards for Newly Emerging and Strategic Industries Under Manufacturing and Technical Service Industries”. As approved by the Tax Authority, the Consolidated Company is eligible for five-year income tax exemptions, the details of which were as follows:

<u>Item</u>	<u>Approving office</u>	<u>Approval document number</u>	<u>Tax exemption period</u>
1	Industrial Development Bureau	09305055510	07/01/2004~06/30/2009
2	Industrial Development Bureau	09505017710	07/01/2005~06/30/2010
3	Industrial Development Bureau	09605016580	09/30/2006~09/29/2011
4	Industrial Development Bureau	09605016590	09/30/2006~09/29/2011
5	Industrial Development Bureau	09605034400	08/31/2007~08/30/2012
6	Industrial Development Bureau	09805018460	09/30/2008~09/29/2013

(x) Tax appeals of the Consolidated Company:

1) Ability Enterprise disagreed with the tax office’s income tax assessment for the years 2004, 2005 and 2006 regarding investment tax credits. Therefore, Ability Enterprise has filed formal tax appeals thereon.

2) TWINHAN Technology Co., Ltd. (liquidated after its merger with AzureWave in 2008) disagreed with the tax office’s assessment regarding its tax exemption periods from 2002 to 2004. After it was turned down during the administrative proceeding, AzureWave appealed such assessment to the Supreme Court in December 2008. However, AzureWave has recognized the possible additional tax liabilities from the said assessment.

(xi) Stockholders’ imputation tax credit account and tax rate:

	<u>December 31, 2009</u>	<u>December 31, 2008</u>
Stockholders’ imputation tax credit account	<u>\$ 5,331</u>	<u>199,647</u>
Expected or actual deductible tax ratio	<u>0.12%</u>	<u>18.31%</u>
Undistributed earnings:	December 31, 2009	December 31, 2008
Accumulated in 1997 and prior years	\$ -	-
Accumulated in 1998 and thereafter	6,872,642	5,602,495
Total	<u>\$ 6,872,642</u>	<u>5,602,495</u>

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o. Stockholders' Equity

(i) Capital Stock

On June 30, 2009, pursuant to the resolutions of the board of directors (acting on behalf of stockholders), the Company capitalized the earnings of \$4,014,258, divided into 401,426 thousand common stock with par value of \$10 per share. The record date of this capital increase was October 16, 2009 and the Company completed the process for the relevant registration thereof.

(ii) Legal reserve and capital surplus

Legal reserve can only be used to offset a deficit or to increase capital. Capitalization of legal reserve is permitted only until it reaches 50% of total issued capital, and only 50% of it can be capitalized.

In accordance with the ROC Company Act, capital surplus can only be used to offset a deficit and increase capital. Capital surplus resulting from long-term equity investments cannot be used to increase capital.

In 2009 and 2008, interest revenues generated from the trust property established by shareholders of the parent company were distributed to the employees of the Company as bonuses. These bonuses amounted to \$194,872 and \$156,850, respectively, which were debited to salary expense and credited to capital surplus — others.

(iii) Earnings distribution and dividend policy

The Company's articles of incorporation require that after-tax earnings shall first be offset against any deficit, and 10% of the balance shall be set aside as legal reserve. The appropriation for legal reserve is discontinued when the balance of the legal reserve equals the total authorized capital. Aside from the aforesaid legal reserve, the Company may, under its Articles of Incorporation or as required by the government, appropriate for special reserve. The remaining balance of the earnings, if any, should be distributed as follows:

1. No less than 10% as employees' bonuses which are distributable in cash or stock. In the event that the employee bonus is distributed in the form of stock, employees qualifying for such distribution may include the employees of subsidiaries of the Company who meet certain specific requirements. Such qualified employees and distribution ratio shall be decided by the Board of Directors.
2. Up to 1% as remuneration to directors and supervisors.
3. The remaining earnings, if any, may be appropriated according to a resolution of a stockholders' meeting.

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In order to bring about stability in the payment of dividends, the Company distributes dividends depending on the level of earnings of each year. The Company is facing a rapidly changing industrial environment. In consideration of the Company's long-term operating plan and funding needs, the Company adopts a stable dividends policy. Therefore, the Company distributes cash dividends of at least 10% of the aggregate of all dividends, if the distributions include cash dividends.

On June 30, 2009 (resolution on such date was amended on December 25, 2009) and February 5, 2010, the Company's board of directors resolved the appropriation of earnings for 2008 and 2009. The distributions of employee bonuses and remuneration to directors and supervisors from the distributable earnings in 2008 and 2009 were as follows:

	2008	2009
Common stock dividends per share (dollars)		
-Cash	\$ 0.47	1.75
-Stock (at par)	2.13	-
Total	\$ 2.60	1.75
	2008	2009
Employee bonus - cash	\$ 497,369	1,205,797
Remuneration to directors and supervisors	49,737	60,290
Total	\$ 547,106	1,266,087

There were no differences between the actual results of earnings distributed in 2009 and those estimated and accrued in the financial statements of 2008.

The distribution for employee bonus and remuneration to directors and supervisors from the distributable earnings in 2009 was approved by the board of directors on February 5, 2010. Differences between the amounts approved in the shareholders' meeting and recognized in the financial statements, if any, are to be accounted for as changes in accounting estimates and recognized in profit or loss in 2010.

p. Employee Stock Option

- (i) The details of the first batch of employee stock options of Ability Enterprise Co., Ltd. in 2007 were as follows:

On November 20, 2007, pursuant to the resolutions of its board of directors, Ability Enterprise Co., Ltd. (Ability) issued employee stock options comprising a total number of 19,500 units. Each unit bears an option to subscribe for one thousand share of Ability's common stock. Therefore, 10,000 thousand shares of new common stock were issued from the exercise of 10,000 units of employee stock options. After the issuance of employee stock options, various situations will result in adjustments in the price of the stock options, such as additional changes to the common stock of Ability, distributions of cash dividends, and any merger and acquisition. The employee stock options cover a contractual life of 7 years and are exercisable in accordance with certain

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schedules as prescribed by the plan starting 2 years from the date of grant. As of December 31, 2009 and 2008, the weighted-average expected life of the employee stock options was 5.24 years and 6.24 years, respectively.

- 1) The number and weighted-average exercise price of the first employee stock options issued in 2007 were as follows:

	For the Year Ended December 31,			
	2009		2008	
	Quantity of stock options (thousand shares)	Weighted-average exercise price (dollars)	Quantity of stock options (thousand shares)	Weighted-average exercise price (dollars)
Outstanding at the beginning of the year	10,000	\$ 44.2	10,000	\$ 52.8
Granted	-	-	-	-
Added or adjusted	-	-	-	-
Exercised	-	-	-	-
Forfeited	-	-	-	-
Outstanding at the end of the year	<u>10,000</u>	41.3	<u>10,000</u>	44.2
Exercisable at the end of the year	<u>2,000</u>		<u>-</u>	

- 2) The pro forma net income and earnings per share of Ability Enterprise Co., Ltd.'s employee stock options, whose grant date was January 1, 2004, and before December 31, 2007, evaluated under fair value method were as follows:

	For the Year Ended December 31,	
	2009	2008
Net Income:		
Net income	\$ 2,152,046	1,355,528
Pro forma net income	2,079,218	1,282,046
Basic earnings per share		
Earnings per share	5.00 dollars	3.17 dollars
Pro forma earnings per share	4.84 dollars	2.99 dollars
Diluted earnings per share		
Earnings per share	4.89 dollars	3.09 dollars
Pro forma earnings per share	4.73 dollars	2.92 dollars

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- 3) The Black-Scholes Option Valuation Model was adopted to estimate the fair value of employee stock options on the date of grant. The assumptions used in this valuation model were as follows:

	November 20, 2007
Dividend yield	-%
Volatility factors of the expected market	39.87%
Risk-free interest rate	2.54%
Weighted-average expected life of the options	5.10 years
Stock options granted	10,000 thousand shares
Weighted-average fair value (per share)	20.6025 dollars

- (ii) The details of the second batch of employee stock option of the Ability Enterprise Co., Ltd. in 2007 were as follows:

- 1) On November 20, 2007, pursuant to resolutions of its board of directors, Ability Enterprise Co., Ltd. (Ability) issued employee stock options comprising a total of 19,500 units. The residual part of employee stock options, 9,500 units, was actually issued until October 13, 2008. Each unit bears an option to subscribe for one thousand shares of Ability's common stock at an exercise price of \$22.2 per share. As of December 31, 2009 and 2008, the weighted-average expected life of the employee stock options was 5.75 years and 6.75 years, respectively.
- 2) The number and weighted-average exercise price of the second batch of employee stock options issued in 2007 were as follows:

	For the Year Ended December 31,			
	2009		2008	
	Quantity of stock options (thousand shares)	Weighted-average exercise price (dollars)	Quantity of stock options (thousand shares)	Weighted-average exercise price (dollars)
Outstanding at the beginning of the year	9,500	\$ 22.2	-	\$ -
Granted	-	-	9,500	22.2
Added or adjusted	-	-	-	-
Exercised	-	-	-	-
Forfeited	-	-	-	-
Outstanding at the end of the year	9,500	20.8	9,500	22.2
Exercisable at the end of the year	-		-	

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- 3) The Trinomial Tree Option Valuation Model was adopted by the Ability Enterprise Co. Ltd. to estimate the fair value of employee stock options. The related information was as follows:

<u>Types</u>	<u>Grant date</u>	<u>Stock price</u>	<u>Exercise price</u>	<u>Volatility factors of the expected market price</u>	<u>Weighted-average expected life of the options</u>	<u>Dividend yield</u>	<u>Risk-free interest rate</u>	<u>Fair value per unit</u>
Employee stock option	2008.10.13	\$ 22.20	22.20	43.11% (Note)	7 years	-%	2.2101%	8.88 dollars

Note: Volatility factors of the expected market price were based on the yearly standard deviation resulting from the past three years' return rate on the stock price, starting from the measurement date of the employee stock options.

- 4) The expenses resulting from the transactions under the share-based payment agreement were as follows:

	<u>For the Year Ended December 31,</u>	
	<u>2009</u>	<u>2008</u>
Equity transaction	<u>\$ 21,732</u>	<u>5,433</u>

- (iii) The transfer of treasury stock by Ability Enterprise Co., Ltd. to its employees in 2009:

- 1) On July 30, 2009, pursuant to the resolutions of its board of directors and in accordance with its policy of treasury stock of transfer, Ability Enterprise Co., Ltd. transferred 10,000 thousand of its own shares, which was in the seventh purchase-back, to its employees for \$426,209. The transfer price after the adjustment was \$38.14, which was calculated by the average cost of treasury stock plus an amount adjusted from the proportion of increase of ex-dividend for 2009 and 2008.
- 2) The Black-Scholes Option Valuation Model was adopted by the Ability Enterprise Co. Ltd. to estimate the fair value of employee stock options. The related information was as follows:

<u>Types</u>	<u>Grant date</u>	<u>Stock price</u>	<u>Exercise price</u>	<u>Volatility factors of the expected market price</u>	<u>Weighted-average expected life of the options</u>	<u>Dividend yield</u>	<u>Risk-free interest rate</u>	<u>Fair value per unit</u>
Treasury stocks transferred to employees	2009.07.30	\$ 49.30	38.14	39.23% (Note)	0.0417years	-%	0.29%	11.1652 dollars

Note: Volatility factors of the expected market price were estimated by volatility of historical stock price for the past three months from the grant date.

- 3) The expenses resulting from the transactions under the share-based payment agreement were as follows:

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	For the Year Ended December 31,	
	2009	
Equity transaction	\$	111,652

(iv) The relevant registration processes for changes in capital resulting from the exercise of employee stock options and conversion of convertible bonds should be completed at least each quarter when those changes occur.

q. Earnings per Share (EPS)

For the years ended December 31, 2009 and 2008, the parent company's basic earnings per share, diluted earnings per share, and adjustments were computed as follows:

(Note: shares in thousands)

	For the Year Ended December 31,			
	2009		2008	
	Before income tax	After income tax	Before income tax	After income tax
Net income	\$ 7,208,245	6,764,784	5,170,496	5,673,113
Weighted-average common shares outstanding	2,286,054	2,286,054	1,884,628	1,884,628
Dilutive potential common shares	34,000	34,000	10,416	10,416
Diluted shares	2,320,054	2,320,054	1,895,044	1,895,044
Weighted-average common shares outstanding-retroactively adjusted			2,286,054	2,286,054
Dilutive potential common shares-retroactively adjusted			12,635	12,635
Diluted shares-retroactively adjusted			2,298,689	2,298,689
Primary earnings per share	\$ 3.15	2.96	2.74	3.01
Diluted earnings per share	\$ 3.11	2.92	2.73	2.99
Primary earnings per share-retroactively adjusted			2.26	2.48
Diluted earnings per share-retroactively adjusted			2.25	2.47

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r. Financial Instruments

(i) Fair value of financial instruments

	<u>December 31, 2009</u>		<u>December 31, 2008</u>	
	<u>Book Value</u>	<u>Fair Value</u>	<u>Book Value</u>	<u>Fair Value</u>
Financial Assets				
Financial assets reported at fair value through profit or loss – current	\$ 7,337,537	7,337,537	3,952,004	3,952,004
Available-for-sale financial assets – current	1,021,413	1,021,413	8,881	8,881
Available-for-sale financial assets – noncurrent	2,245,648	2,245,648	837,958	837,958
Financial assets carried at cost – noncurrent	609,243	-	1,295,298	-
Book value equal to fair value	<u>101,757,797</u>	<u>101,757,797</u>	<u>96,285,537</u>	<u>96,285,537</u>
Total financial assets	<u><u>\$ 112,971,638</u></u>		<u><u>102,379,678</u></u>	
Financial Liabilities				
Financial liabilities reported at fair value through profit or loss – current	\$ -	-	409	409
Long-term loans (includes current portion)	8,126,557	8,126,557	8,331,446	8,331,446
Book value equal to fair value	<u>88,925,368</u>	<u>88,925,368</u>	<u>90,041,380</u>	<u>90,041,380</u>
Total financial liabilities	<u><u>\$ 97,051,925</u></u>		<u><u>98,373,235</u></u>	

(ii) Methods and assumptions used by the Consolidated Company to evaluate the fair value of financial instruments were as follows:

- 1) The fair value of short-term financial instruments is determined by their book value on the balance sheet date. As these instruments have a short-term maturity period, the book value serves as a reasonable basis for establishing the fair value. This method is applied to cash, accounts receivable, other receivables, other financial assets – current, non-current assets held for sale, short-term loans, accounts payable, other payables, accrued expenses, other financial liabilities – current, etc. (Both income tax refund receivable and income tax payable are legal obligations, not contract obligations, so they do not belong to financial assets and financial liabilities.)
- 2) With respect to financial instruments such as refundable deposits that are an indispensable guarantee for the ongoing operation of the Consolidated Company, it is impossible to estimate the time necessary to accomplish the exchange of assets. Consequently, the fair market value of such financial instruments cannot be established. Therefore, the book value is used as the fair market value.
- 3) The fair value of financial instruments which are carried at fair value through profit or loss and traded in active markets is based on quoted market prices. If the financial instruments are not traded in an active market, then the fair value is determined by using valuation techniques, under which the estimates and assumptions used are consistent with prevailing market conditions.
- 4) Financial assets carried at cost are measured at carrying value as their market price is difficult to determine, due to lack of objective evidence, in practice.

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- 5) The fair market value of long-term debt is determined by the present value of future cash flow. As the value derived by using a floating interest rate in discounting is close to the book value, the book value is adopted as the fair market value.
- (iii) The fair values of financial assets/liabilities which were measured at quoted market value or estimated by using evaluation techniques were as follows:

	<u>December 31, 2009</u>		<u>December 31, 2008</u>	
	<u>Measured at quoted market price</u>	<u>Estimated using evaluation techniques</u>	<u>Measured at quoted market price</u>	<u>Estimated using evaluation techniques</u>
Financial Assets:				
Financial assets reported at fair value through profit or loss — current	\$ 209,202	7,128,335	34,873	3,917,131
Available-for-sale financial assets — current	1,021,413	-	8,881	-
Available-for-sale financial assets — non-current	2,245,648	-	837,958	-
	<u>\$ 3,476,263</u>	<u>7,128,335</u>	<u>881,712</u>	<u>3,917,131</u>
Financial Liabilities:				
Financial liabilities reported at fair value through profit or loss — current	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>409</u>

- (iv) Gain and loss recognized from changes in the fair values of financial assets and liabilities which were estimated by using valuation techniques amounted to \$116,880 and \$55,746 for the years ended December 31, 2009 and 2008, respectively.
- (v) Information on financial risk

1) Market risk

The Company's purchases and sales are denominated mainly in US dollars, and in consequence, it is exposed to the current and future foreign currency risk that arises from cash flows of foreign currency assets and liabilities. However, the risks may be regarded as insignificant, because foreign currency losses from sales are subsequently offset by the foreign currency gain from purchases. In addition, the Company conducts foreign exchange activities on the spot market in order to hedge its foreign exchange risks.

The equity securities held by the Consolidated Company are classified as financial assets measured at fair value through profit or loss and available-for-sale financial assets. As these assets are measured at fair value, the Consolidated Company is exposed to the risk of changes in fair value in an equity securities market.

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2) Credit risk

Credit risk means the potential loss of the Consolidated Company if the counterparty involved in that transaction defaults. Since the Consolidated Company's derivative financial instrument agreements are entered into with financial institutions with good credit ratings, management believes that there is no significant credit risk from these transactions.

The primary potential credit risk is from financial instruments like cash, equity securities, and accounts receivable. The Consolidated Company deposits cash in different financial institutions. The Consolidated Company manages credit risk exposure related to each financial institution and believes that there is no significant concentration of credit risk from cash and equity securities.

The Company only transacted with approved third parties with good financial condition and reputation. For those customers with a poor financial situation, the Company would transfer the risk through acquiring guarantees or transacting by L/C. Therefore, the Company believes that there is no significant credit risk. According to the Company's customer credibility evaluation policies, the Company has to evaluate the customer's credibility and evaluate the collectability of notes and accounts receivable before doing business. Thus, there is no significant issue regarding doubtful accounts.

The major customers of the Consolidated Company are concentrated in the high-tech computer industry. The customers of the Company have good credit and profit records, and the Company evaluates the financial condition of these customers continually to reduce credit risk from accounts receivable. Moreover, the Company also periodically evaluates the Company's financial positions and the possibility of collecting trade receivables. Thus, there is no significant credit risk.

3) Liquidity risk

The capital and working funds of the Consolidated Company are sufficient to meet its entire contractual obligations and un-hedged forward exchange contracts; therefore, no liquidity risk exists.

The funds and marketable securities investments held by the Consolidated Company have publicly quoted prices and could be sold at the approximate market price. Management believes that the cash flow risk is not significant because contracted foreign currency exchange rates are fixed.

Equity investments recorded as financial assets carried at cost do not have reliable market prices and are expected to have liquidity risk.

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4) Cash flow risk arising from variation in interest rates

The Consolidated Company's interest rate risk arises from short-term and long-term loans bearing floating interest rates. Future cash flow will be affected by a change in market interest rate.

(vi) Financial instruments with off-balance-sheet credit risk

As of December 31, 2009 and 2008, guarantee and endorsements of bank loans were provided by the Consolidated Company for related parties, as discussed in Note 5.

5. Related-Party Transactions

a. Names and Relationships of Related Parties of the Consolidated Company

Name of Related Party	Relationship with the Company
ASUSTeK Computer Inc.	An investor who used the equity method to account for the investment in the Company
Askey Computer Corp.	An investee company accounted for under the equity method by ASUSTeK Computer Inc.
ASMEDIA TECHNOLOGY INC.	"
International United Technology Co., Ltd. (Taiwan)	"
Shinewave International Inc.	"
UNIMAX ELECTRONICS INCORPORATION	"
ASUS TECHNOLOGY INCORPORATION	"
ASUS TECHNOLOGY PTE. LIMITED	"
ASUS Computer (Shanghai) Co., Ltd.	"
ASUS Technology (Suzhou) Co., Ltd.	"
eMES (SUZHOU) CO., LTD.	"
ASHINE TECHNOLOGY (SUZHOU) LTD.	"
Shandong Enertronix Co., Ltd.	"
Huizhou Enertronix Co., Ltd.	"
Enertronix, Inc.	"
ASUS COMPUTER INTERNATIONAL	"
ASUS HOLLAND B.V.	"
ASUS TECHNOLOGY PTE. LIMITED	"
DOUBLE TECH LTD.	"

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<u>Name of Related Party</u>	<u>Relationship with the Company</u>
DEEP DELIGHT LIMITED	An investee company accounted for under the equity method by ASUSTeK Computer Inc.
ASKEY INTERNATIONAL CORP	"
OPENBASE LIMITED	"
ASKEY TECHNOLOGY (JIANGSU) LTD.	"
ASUSTEK COMPUTER (SHANGHAI) CO., LTD.	"
(ASUS UNITED Technology (Shanghai) Co., Ltd. formerly)	
AGAiT Technology Corporation	"
ASHINE PRECISION CO., LTD.	An investee company accounted for under the equity method
PENTAX VQ CO., LTD.	"
YOFREE TECHNOLOGY CO., LTD.	"
PEGA INTERNATIONAL LIMITED	Formerly, an investee company accounted for under the equity method. Due to organization restructuring of the Group overseas, this investee company was incorporated into the Company's consolidated financial statements in 2009.
Avy Co., Ltd.	An investee company accounted for under the equity method.
DongGuan Avy Precision Metal Components Co., Ltd.	"
DongGuan ChengGuangp Precision Hardware Co., Ltd.	"
CRYSTAL ART ENTERPRISE CO., LTD.	"
AVY PRECISION METAL COMPONENTS (SUZHOU)	"
Ability Investment Co., Ltd.	"
SHINE TRADE INTERNATIONAL LTD.	"
YORKEY OPTICAL TECHNOLOGY LTD. (SAMOA)	"
AVY HIGH TECH LIMITED	"
SHANGHAI INDEED TECHNOLOGY CO., LTD.	"
HONG HUA TECHNOLOGY (SUZHOU) CO., LTD.	"

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<u>Name of Related Party</u>	<u>Relationship with the Company</u>
GHING HONG PRECISE MOULD INDUSTRY (SUZHOU) CO., LTD.	An investee company accounted for under the equity method.
Taishiba International Co., Ltd.	An affiliate of Ability Enterprise Co., Ltd.
LINKTEK PRECISION (SUZHOU) CO., LIMITED	In the process of liquidation. An investee company was reclassified as financial assets carried at cost in 2009.
All board directors, supervisors, general managers and deputy general managers	The Company's key management

b. Significant Transactions with Related Parties

(i) Sales

Name of Related Party	<u>For the Year Ended December 31,</u>					
	<u>2009</u>			<u>2008</u>		
	Amount	% of Net Sales	The Collection Term	Amount	% of Net Sales	The Collection Term
ASUSTeK	\$ 199,185,518	37.01%	30 days from receipt of goods Open account 30~120 days	184,230,068	34.68%	7~90 days from receipt of goods Open account 30~90 days
Others	1,042,817	0.19%	30~60 days from receipt of goods Open account 30~120 days	2,532,549	0.47%	7~60 days from receipt of goods Open account 30~60 days
Total	<u>\$ 200,228,335</u>	<u>37.20%</u>		<u>186,762,617</u>	<u>35.15%</u>	

The prices and sales terms mentioned above are the same as general sales terms.

(ii) Purchases

Name of Related Party	<u>For the Year Ended December 31,</u>					
	<u>2009</u>			<u>2008</u>		
	Amount	% of Gross Purchases	Purchase Term	Amount	% of Gross Purchases	Purchase Term
ASUSTeK	\$ 137,317,191	21.07%	30~60 days from receipt of goods Open account 60~120 days	102,396,699	18.73%	7~120 days from receipt of goods Open account 30~120 days
Others	5,147,160	0.79%	30~90 days from receipt of goods Open account 30~120 days	5,708,909	1.05%	90~120 days from receipt of goods Open account 30~120 days
Total	<u>\$ 142,464,351</u>	<u>21.86%</u>		<u>108,105,608</u>	<u>19.78%</u>	

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The prices and purchase term are the same as general purchase terms.

In 2009 and 2008, the Company purchased raw materials from vendors through ASUSTek.

(iii) Others

1)	For the Year Ended December 31,	
	2009	2008
After-sales warranty repair expense paid to:		
ASUS Computer (Shanghai)	\$ 85,505	91,786
ASUSTEK COMPUTER (SHANGHAI)	10,601	134,395
Others	327	1,766
Total	\$ 96,433	227,947
2) Other income from:		
ASUSTeK	\$ 768,504	386,956
Others	16,187	8,294
Total	\$ 784,691	395,250

- 3) To mitigate the foreign currency risk from the change in the net-assets and inventory denominated in foreign currencies, the Consolidated Company signed as agreement with ASUSTek Computer Inc requiring whoever benefits from foreign currency translation arising from the spin-off transaction shall compensate the other, where appropriate, for the loss due to exchange rate fluctuation, for the period from December 28, 2007 to December 31, 2008. As of December 31, 2008, ASUSTeK Computer Inc. was been compensated \$1,858,459 by Consolidated Company, which was recognized as "credit to foreign exchange gain." As of December 31, 2008, ASUSTek Computer Inc. also compensated the Consolidated Company for \$474,573, for the loss on valuation of inventory, which was adjusted to "cost of sales." Such agreement was valid until March 31, 2008. As of December 31, 2008, the net compensation payable of \$ 1,383,886 from such agreement was fully paid.
- 4) For the years ended December 31, 2009 and 2008, the Consolidated Company incurred other related-party transactions recorded as expenses such as processing fee, rental expense, other expense, royalty payment, storage expense, and professional service fee, which amounted to \$163,169 and \$131,203, respectively.
- 5) For the years ended December 31, 2009 and 2008, the Consolidated Company engaged in other related-party transactions recorded as processing revenue and repair revenue, which amounted to \$279,331 and \$70,163, respectively.

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(iv) Property transactions

1. Properties sold

For the Year Ended December 31, 2009			
Transaction Party	Sales Price	Book Value	Disposal Gain (Loss)
Others	\$ 1,640	1,325	315

For the Year Ended December 31, 2008			
Transaction Party	Sales Price	Book Value	Disposal Gain (Loss)
Others	\$ 1,254	1,210	44

2. Properties purchased

In 2009 and 2008, the prices of the properties purchased from other related parties were \$105,028 and \$88,147, respectively.

3. Rental revenue

For the years ended December 31, 2009 and 2008, the Consolidated Company engaged in other related-party transactions recorded as rental revenue, which amounted to \$36,590 and \$42,624, respectively.

4. Disposal and transfer of shares

In 2008, a subsidiary of Ability Enterprise Co., Ltd. sold for USD 5,276 thousand its non-current assets held for sale-DongGuan Avy Precision Metal Components Co., Ltd., with book value USD 4,514 thousand, to AVY HIGH TECH LIMITED, which resulted in a gain on asset disposal of USD 762 thousand.

(v) Accounts receivable (payable)

	December 31, 2009		December 31, 2008	
	Amount	%	Amount	%
Notes and Accounts Receivable:				
ASUSTeK	\$ 13,164,371	19.21%	8,416,809	13.04%
ASUSTEK COMPUTER (SHANGHAI)	-	-%	123,763	0.19%
Others	444,049	0.65%	178,415	0.28%
Sub-total	13,608,420	19.86%	8,718,987	13.51%
Less: Allowance for doubtful accounts	(707)		-	
Total	\$ 13,607,713		8,718,987	

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	December 31, 2009		December 31, 2008	
	Amount	%	Amount	%
Other Receivables:				
ASUSTeK	\$ 179,761	11.80%	1,604,722	34.71%
Others	16,552	1.09%	86,551	1.87%
Total	\$ 196,313	12.89%	1,691,273	36.58%
Notes and Accounts Payable:				
DEEP DELIGHT LIMITED	\$ -	-%	4,150,115	6.40%
Others	1,305,645	1.98%	1,334,360	2.05%
Total	\$ 1,305,645	1.98%	5,484,475	8.45%

Other related-party transactions accounted for as assets and liabilities on the balance sheets were as follows:

	December 31, 2009	December 31, 2008
Assets:		
Prepayments	\$ 130	19,211
Other current assets	6,224	8,439
Other financial assets — noncurrent	-	3,660
	\$ 6,354	31,310
Liabilities:		
Accrued expenses	\$ 24,538	62,152
Other financial liabilities — current	44,495	586,654
Other current liabilities	18,671	1,091
	\$ 87,704	649,897

(vi) Endorsement guarantee

As of December 31, 2009 and 2008, the Consolidated Company provided endorsement guarantee for bank loans obtained by a related party as follows:

Name of Related Party Guaranteed	Amount of Guarantee (thousands)	
	December 31, 2009	December 31, 2008
LINKTEK (SUZHOU)	USD 800	USD 705,331

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As of December 31, 2009 and 2008, the endorsement guarantee provided by a related party for the Consolidated Company's purchases were as follows:

<u>Name of Related Party Guarantee</u>	<u>Amount of Guarantee (thousands)</u>	
	<u>December 31, 2009</u>	<u>December 31, 2008</u>
ASUSTeK	<u>USD 300,000</u>	<u>USD 422,200</u>

(vii) Key management compensation costs

For the years ended December 31, 2009 and 2008, the details of management compensation costs were as follows:

	<u>For the Year Ended December 31,</u>	
	<u>2009</u>	<u>2008</u>
Payroll expense and bonus (including remuneration of directors and supervisors)	\$ 208,504	163,136
Professional execution	153	-
Employee bonus	151,520	90,010
Total	<u>\$ 360,177</u>	<u>253,146</u>

6. Pledged Assets

As of December 31, 2009 and 2008, pledged assets were as follows:

<u>Asset</u>	<u>December 31, 2009</u>	<u>December 31, 2008</u>	<u>Purpose of pledge</u>
Restricted deposit	\$ 197,627	179,961	Customs duty guarantee, bank loans, rental deposits, credit contracts, issued letter of credit, travel agency guarantee, etc.
Property, plant and equipment	2,955,155	309,984	Bank loans
Idle assets	-	-	" (Note A)
Intangible Assets	605,487	-	"
Inventories	16,410	-	Lawsuit collateral (Note B)
Refundable deposits	291,189	53,057	Deposits for performance guarantee
	<u>\$ 4,065,868</u>	<u>543,002</u>	

Note A: As of December 31, 2009 and 2008, the unadjusted book value of idle assets amounted to \$7 and \$100, respectively. After recognizing the impairment losses, the net book value was reduced to zero as of the same dates.

Note B: Accounted for restricted assets, included in other current assets.

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7. Significant Commitments and Contingencies (Excluding Related-Party Transactions)

As of December 31, 2009 and 2008, major commitments and contingencies were as follows:

(Thousand dollars)

(a) <u>Unused standby letters of credit:</u>	<u>December 31, 2009</u>	<u>December 31, 2008</u>
NTD	\$ 5,141	-
EUR	497	210
JPY	3,112,833	1,525,135
USD	38,079	5,870
GBP	9	-

(b) <u>Promissory notes and certificates of deposit obtained for business purposes:</u>	<u>December 31, 2009</u>	<u>December 31, 2008</u>
NTD	\$ 18,719	18,684

(c) Rental expense and future lease commitments of the lease agreements of buildings are as follows:

	<u>Future lease commitments</u>				
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Future lease commitments	206,869	158,546	125,117	65,143	40,717

(d) As of December 31, 2009 and 2008, the significant contracts for purchasing properties signed by the Consolidated Company amounted to \$3,834,469 and \$2,492,935, of which \$185,385 and \$ 603,296 were unpaid, respectively.

(e) In December 2007, a US company named the Company as a defendant in a patent infringement suit filed with the United States International Trade Commission. The investigation was completed in July 2009 by the United States International Trade Commission. The result of the investigation revealed that the product of the Company did not infringe the patent for which the US company accused the Company of infringement. However, both parties subscribed to a reconciliation agreement in September 2009.

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- (f) AVerMedia Technologies Inc. filed an attachment for damage loss against Lumens Digital Optics Inc. with the Taiwan HsinChu District Court on January 3, 2005. Lumens Digital Optics Inc. pledged a deposit of \$90,000 as counter-security to the Court for rescinding the attachment. In addition, AVerMedia Technologies Inc. filed another attachment for the same reason with the court. The HsinChu District Court seized inventory of Lumens Digital Optics Inc. amounting to \$16,410. This case is currently under investigation, and Lumens Digital Optics Inc. believes that there will be no material loss from the aforementioned case.
- (g) One of ASUSPOWER CORPORATION's American customers voluntarily filed for bankruptcy with the United States Bankruptcy Court of the California District. The customer had made payments for goods amounting to US\$1,439,484 to ASUSPOWER COPORATION 90 days before filing for bankruptcy. The insolvency administrator of the customer filed a lawsuit with the California court later on claiming that according to United States Bankruptcy Code § 547, the payments should be returned and requested ASUSPOWER CORPORATION to return the amount paid. ASUSPOWER CORPORATION received a notice from the court in September 2009, and entered a plea. This lawsuit is still under investigation.

8. Significant Catastrophic Losses: None.

9. Significant Subsequent Events: None.

10. Others

- a. Personnel, depreciation, and amortization expense incurred, categorized as operating cost or expense, were as follows:

Categorized as Nature	For the year ended December 31, 2009			For the year ended December 31, 2008		
	Operating Cost	Operating Expense	Total	Operating Cost	Operating Expense	Total
Personnel expense						
Salary expense	12,279,127	9,751,204	22,030,331	13,579,551	6,535,550	20,115,101
Health and labor insurance expense	381,902	423,011	804,913	527,336	328,571	855,907
Pension expense	812,239	354,710	1,166,949	144,117	185,269	329,386
Other expense	150,956	286,914	437,870	231,708	259,875	491,583
Depreciation expense	7,025,243	1,342,228	8,367,471	5,705,745	1,249,920	6,955,665
Amortization expense	1,355,375	960,366	2,315,741	779,848	607,624	1,387,472

Note: For the years ended December 31, 2009 and 2008, the Consolidated Company recognized depreciation expense of rental assets and idle assets amounting to \$102,539 and \$17,329, respectively (accounted for as non-operating expense). Those depreciation expenses were excluded from the depreciation expense listed above.

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b. Account reclassification:

Certain accounts in the financial statements as of and for the year ended December 31, 2008, were reclassified to conform to the financial presentation adopted in the statements as of and for the year ended December 31, 2009.

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11. Additional disclosures

a. Major transaction information

(i) Loans of capital to others

No. (Note 1)	Lender	Borrower	Financial Statement Account	Highest Balance during the Year	Balance at the period end	Interest rate	Type of Financing (Note 2)	Amount of commercial dealings	Reason for Short-term Financing	Allowance for bad debt amount	Pledges		Maximum amount of loan limit to individual (Note 3.5)	Maximum aggregated amount of loan limit to others (Note 3)
											Item	Value		
0	The Company	PEGATRON Czech s.r.o	other receivables	639,800 USD 20,000,000	639,800 USD 20,000,000	1.00%	(2)	-	fund financing	-	-	-	14,365,572	28,731,143

Note 1: 0 represents the Company.

Note 2: Presentives for nature of financing are summarized as follows:

(1) Business relationship.

(2) Short-term financing.

Note 3: The maximum amount of loan limit to individual shall be 15% or less of the Company's net assets based on the most recent financial statements; The maximum aggregated amount of loans to others shall be 30% or less of the Company's net assets based on the most recent financial statements.

Note 4: Transactions denominated in foreign currencies were translated into New Taiwan dollars at the exchange rate prevailing on the balance sheet date.

(spot rates of foreign currencies to New Taiwan Dollar listed on December 31, 2009 were USD 1 to NTD 31.99, EUR 1 to NTD 46.10, JPY 1 to NTD 0.3472, and CNY 1 to NTD 4.6850.)

Note 5: The limit of loan was based on actual net worth of the Company, not considering adjustments under preparation basis of pro forma financial statements.

Note 6: Transactions in relation to consolidated entities illustrated on the table above were eliminated in consolidated financial statements.

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(ii) Endorsements and guarantees to others

No.	Endorsement provider/Guarantor	Endorsed/Guaranteed party		Limit of endorsements/guarantees to a single entity (Note 5)	Highest balance of endorsements / guarantees of the period (Note 5)	Balance of endorsements / guarantees at period ended (Note 5)	Collateral	Ratio of cumulative endorsements/guarantees to the Company's net assets based on the most recent financial statements (Note 5)	Aggregated limit of endorsements / guarantees (Note 5)
	Name	Name	Nature of Relationship						
0	The Company	ASUSPOWER CORPORATION	(Note 2)	28,731,143	1,599,500 (USD 50,000,000)	959,700 (USD 30,000,000)	-	1.00%	67,039,334

Note 1: 0 represents the Company.

Note 2: The Company owns 50% of the subsidiary's common shares outstanding directly.

Note 3: The maximum amount of endorsements and guarantees limit to individual shall be 30% or less of the Company's net assets based on the most recent financial statements; The maximum aggregated amount of endorsements and guarantees to others shall be 70% or less of the Company's net assets based on the most recent financial statements.

Note 4: Transactions denominated in foreign currencies were translated into New Taiwan dollars at the exchange rate prevailing on the balance sheet date.

(spot rates of foreign currencies to New Taiwan Dollar listed on December 31, 2009 were USD 1 to NTD 31.99, EUR 1 to NTD 46.10, JPY 1 to NTD 0.3472, and CNY 1 to NTD 4.6850)

Note 5: The limit of endorsements and guarantees was based on actual net worth of the Company, not considering adjustments under preparation basis of pro forma financial statements.

Note 6: Transactions in relation to consolidated entities illustrated on the table above were eliminated in consolidated financial statements.

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(iii) Period ended marketable securities holding

Holding Company Name	Types and Names of Marketable Securities	Relationship with the Issuer of Securities	Financial Statement Account	End of the Period				Note
				Shares	Carrying Amount	Percentage of ownership	Fair Value	
The Company	<u>Common Stock</u> UNIHAN CORPORATION	An investee company accounted for under the equity method.	Long-term investment under the equity method	840,105,000	15,408,963	100.00%	15,408,963	(Note 2, 3)
"	ASUSPOWER INVESTMENT CO.,LTD.	"	"	841,900,000	14,342,702	100.00%	14,342,702	(Note 2)
"	ASUS INVESTMENT CO.,LTD.	"	"	908,600,000	15,528,237	100.00%	15,528,237	"
"	ASUSTEK INVESTMENT CO.,LTD.	"	"	872,700,000	14,686,690	100.00%	14,686,690	"
"	ADVANSUS CORP.	"	"	18,000,000	220,399	50.00%	220,399	"
"	Pegatron Holding Ltd.	"	"	660,197,567	29,311,767	100.00%	29,311,767	"
"	PEGATRON USA, INC.	"	"	50,000	17,813	100.00%	17,813	"
"	<u>Capital</u> ASUS HOLLAND HOLDING B. V.	"	"	-	1,078,274	92.45%	1,229,396	"

Note 1: The fair value of the security was based on closing price listed on the Taiwan Stock Exchange or traded over-the-counter on the Gre Tai Securities Market on the balance sheet date. For those non-listing securities, fair value was determined in accordance with their net carrying value of shareholders' equity which were audited by external accountants due to their public quotes were not available.

Note 2: Transactions in relation to consolidated entities illustrated on the table above were eliminated in consolidated financial statements.

Note 3: Above-mentioned shares held at period end were equivalent to the highest shares held during the year.

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(iv) Accumulated buying/sales of the same marketable securities for which the dollar amount reaches \$100 million or 20% or more of paid-in capital

Holding Company Name	Marketable Securities		Financial Statement Account	Counter-party	Relationship with the Holding Company	Beginning Balance		Acquisition		Disposal				Ending Balance	
	Type	Name				Shares/Units	Amount	Shares/Units	Amount	Shares/Units	Amount	Carrying Amount	Gain (Loss) on Disposal	Shares/Units	Amount
The Company	Fund	Cathay Bond Fund	Financial assets reported at fair value through profit or loss	-	-	-	-	41,940,450	500,000	41,940,450	500,365	500,000	365	-	-
"	Fund	Polaris De-Bao Fund	"	-	-	-	-	92,787,316	1,064,000	92,787,316	1,064,264	1,064,000	264	-	-
"	Fund	ING Taiwan Income Fund	"	-	-	-	-	6,112,880	100,000	6,112,880	100,037	100,000	37	-	-
"	Fund	ING Taiwan Select Bond Fund	"	-	-	-	-	8,547,447	100,000	8,547,447	100,049	100,000	49	-	-
"	Fund	ING Taiwan Bond Fund	"	-	-	-	-	106,845,237	1,665,000	106,845,237	1,665,478	1,665,000	478	-	-
"	Fund	JF (Taiwan) Bond Fund	"	-	-	-	-	91,178,622	1,438,000	91,178,622	1,438,486	1,438,000	486	-	-
"	Fund	FUBON CHI-HSIANG FUND	"	-	-	-	-	47,998,649	720,000	47,998,649	720,192	720,000	192	-	-
"	Common Stock	ADVANSUS CORP.	Long-term investment under the equity method	-	-	30,000,000	309,228	-	31,171	12,000,000	-	120,000	-	18,000,000	220,399
"	Common Stock	Pegatron Holding Ltd. (Note 9)	"	-	-	569,666,472	26,131,092	-	1,328,933	-	-	705,545	-	660,197,567	29,311,767
"	Common Stock	Enertronix, Inc.	"	ASUSTeK Computer Inc.	The parent company.	40,238,437	381,825	-	21,987	40,238,437	313,785	313,785	-	-	-
"	Common Stock	AzureWave Technologies, Inc.	"	Azurewave (Cayman) Holding Inc.	-	-	-	7,800,958	-	33,804,153	549,656	548,497	1,159	-	-
				Azurewave (Cayman) Holding Inc.	An investee company accounted for under the equity method.			26,003,195	548,497			(Note 1)			

Note 1: Acquisitions during the current period

Note 2: Disposal during the current period

Note 3: In accordance to the regulation of Statement of Financial Accounting Standards (SFAS) No. 5 "Long-term Investments under Equity Method", relevant investment gain or loss was recognized under the equity method based on the investee company's financial statements.

Note 4: In accordance to the regulation of SFAS No. 5 "Long-term Investments under Equity Method", relevant cumulative translation adjustment was recognized under equity method based on the investee company's financial statements.

Note 5: In accordance to the regulation of SFAS No. 5 "Long-term Investments under Equity Method", the shares/units acquired include stock dividends distributed by investee companies.

Note 6: Capital increase in cash during the current period

Note 7: Capital reduction during the current period

Note 8: In accordance to the regulation of SFAS No. 5 "Long-term Investments under Equity Method", the investor company adjusts to the long-term investment account under the equity method in accordance with its stock ownership percentage when there are increases or decreases in the equity of the investee company.

Note 9: The information on the table above was not been adjusted under preparation basis of pro forma financial statements.

Note 10: Transactions in relation to consolidated entities illustrated on the table above were eliminated in consolidated financial statements.

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(v) Acquisition of real estate for which the dollar amount reaches \$100 million or 20% or more of paid-in capital: None.

(vi) Disposition of real estate for which the dollar amount reaches \$100 million or 20% or more of paid-in capital: None.

(vii) Buying/selling products with related parties for which the dollar amount reaches \$100 million or 20% or more of paid-in capital

Company Name	Related Party	Nature of Relationship	Transaction Detail				Non-arm's Length Transaction		Notes/Accounts Payable or Receivable		Note
			Purchases/Sales	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
The Company	ASUSTeK Computer Inc.	An investor company accounted for under the equity method	Sales	196,506,372	59.95%	Net 60 days after monthly closing	-	-	12,344,888	14.76%	
"	"	"	Purchases	136,742,235	30.78%	"	-	-	-	- %	(Note 1)
"	Powtek (Shanghai) Co., Ltd.	An investee company accounted for under the equity method.	Sales	4,261,589	1.30%	Net 45 days after receipt of goods	-	-	1,070,802	1.28%	(Note 2)
"	PEGATRON Czech s. r. o.	"	"	3,805,838	1.16%	Net 120 days after receipt of	-	-	2,666,310	3.19%	"
"	PEGATRON TECHNOLOGY SERVICE INC.	"	"	363,329	0.11%	Net 90 days after receipt of goods	-	-	65,125	0.08%	"
"	UNIHAN CORPORATION	"	"	299,856	0.09%	Net 60 days after receipt of goods	-	-	86,898	0.10%	"
"	BOARDTEK COMPUTER (SUZHOU) CO., LTD	"	"	127,474	0.04%	Net 90 days after monthly closing	-	-	7	- %	"
"	Protek (ShangHai) Limited	"	"	167,131	0.05%	"	-	-	51,620,571	61.72%	"
"	"	"	Purchases	30,864,549	6.95%	Net 90 days after receipt of goods	-	-	(51,927,044)	(70.95%)	"
"	CASETEK COMPUTER (SUZHOU) CO.,LTD	"	"	3,159,666	0.71%	Net 30 days after monthly closing	-	-	(862,608)	(1.18%)	"
"	BOARDTEK COMPUTER (SUZHOU) CO., LTD	"	"	1,493,118	0.34%	Net 90 days after receipt of goods	-	-	(201,188)	(0.27%)	"
"	UNIHAN CORPORATION	"	"	559,332	0.13%	Net 60 days after receipt of goods	-	-	(5,457)	(0.01%)	"
"	AzureWave Technologies, Inc.	"	"	541,914	0.12%	Net 60 days after monthly closing	-	-	(74,975)	(0.10%)	"
"	AMA PRECISION INC.	"	"	403,363	0.09%	Net 30 days after monthly closing or receipt of goods	-	-	(45,963)	(0.06%)	"
"	KAEDAR ELECTRONICS (KUNSHAN) CO.,LTD	"	"	176,514	0.04%	Net 90 days after monthly closing	-	-	(58,408)	(0.08%)	"
"	KAEDAR TRADING LTD.	"	"	112,648	0.03%	Net 45 days after receipt of goods	-	-	(1,280)	- %	"
"	MAINTEK COMPUTER(SUZHOU)CO.,LTD	"	"	101,912	0.02%	Net 30 days after monthly closing	-	-	(98)	- %	"
"	SHANGHAI INDEED TECHNOLOGY CO., LTD.	"	"	2,405,122	0.54%	Net 90 days after receipt of goods	-	-	(421,072)	(0.58%)	"
"	ASLINK (H.K.) PRECISION CO.,LIMITED	"	"	111,077	0.03%	Net 90 days after monthly closing	-	-	(8,958)	(0.01%)	(Note 2)
"	ASIAROCK TECHNOLOGY LIMITED	"	Sales	744,791	0.23%	Net 30 days after receipt of goods	-	-	347,689	0.42%	"
"	"	"	Purchases	444,707	0.10%	Net 60 days after monthly closing	-	-	(136,917)	(0.19%)	"
"	ASHINE TECHNOLOGY (SUZHOU) LTD.	An investee company accounted for under the equity method by ASUSTeK Computer Inc.	"	412,484	0.09%	Net 75 days after monthly closing	-	-	-	- %	"
"	"	"	Sales	470,144	0.14%	Net 60 days after monthly closing	-	-	208,772	0.25%	"
"	ASKEY TECHNOLOGY (JIANGSU) LTD.	"	Purchases	142,741	0.03%	Net 75 days after monthly closing	-	-	(43,368)	(0.06%)	"

Note 1: The transactions for the current period includes the indirect purchase of raw materials from suppliers via ASUSTeK Computer Inc.

Note 2: The information on the table above was not adjusted under preparation basis of pro forma financial statements.

Note 3: Transactions in relation to consolidated entities illustrated on the table above were eliminated in consolidated financial statements.

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(viii) Accounts receivable from related parties for which the dollar amount reaches \$100 million or 20% or more of the paid-in capital

Company Name	Related Party	Nature of Relationship	Ending Balance	Turnover Rate (time)	Overdue		Amount Received in Subsequent Year	Allowance for Bad Debt
					Amount	Action Taken		
The Company	ASUSTeK Computer Inc.	An investor company accounted for under the equity method	12,344,888	19.45	-	-	-	-
"	PEGATRON Czech s. r. o.	An investee company accounted for under the equity method.	2,666,310	1.79	-	-	239,809	-
"	Protek (ShangHai) Limited (Note)	"	51,620,571	0.01	-	-	-	-
"	Powtek (Shanghai) Co., Ltd.	"	1,070,802	5.32	-	-	379,139	-
"	ASIAROCK TECHNOLOGY LIMITED (Note)	"	347,689	4.11	-	-	-	-
"	ASHINE TECHNOLOGY (SUZHOU) LTD.	An investee company accounted for under the equity method by ASUSTeK Computer Inc.	208,772	4.49	-	-	-	-

Note 1: The information on the table above was not been adjusted under preparation basis of pro forma financial statements.

Note 2: Transactions in relation to consolidated entities illustrated on the table above were eliminated in consolidated financial statements.

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(ix) Derivative transactions: None.

b Information on re-invested enterprises:

No.	Item	Attached Table
i	For investor companies who directly or indirectly have major influence or control over the investee companies, their names, locations and related information:	Table 1
ii	For investor companies who directly or indirectly have control over the investee company, the investee companies' transaction information were summarized as follows:	
(1)	Loans of capital to others:	Table 2
(2)	Endorsements or guarantees to others:	Table 3
(3)	Period ended marketable securities holding:	Table 4
(4)	Accumulated buying/sales of the same marketable securities for which the dollar amount reaches \$100 million or 20% or more of paid-in capital:	Table 5
(5)	Acquisition of real estate for which the dollar amount reaches \$100 million or 20% or more of paid-in capital:	None
(6)	Disposition of real estate for which the dollar amount reaches \$100 million or 20% or more of paid-in capital:	Table 6
(7)	Buying/selling products with related parties for which the dollar amount reaches \$100 million or 20% or more of paid-in capital:	Table 7
(8)	Accounts receivable from related parties for which the dollar amount reaches \$100 million or 20% or more of the paid-in capital:	Table 8
(9)	Derivative transactions:	Table 9

c Information on mainland China investments:

1. The name of the investee in mainland China, its main businesses, paid-in capital, method of investment, inward and outward remittances of capital, shareholding ratio, investment profits/losses, period end book values of investments, repatriated investment profits, and the limit on the amount of investments in the mainland China region: Please refer to Table 10 for details.
2. Major transactions with the investee company in mainland China occurring directly or indirectly through a third region, and the prices, payment terms, unrealized profits/losses, and other information which increases understanding of the report reader with respect to investments in mainland China: Please refer to the Note 11.a (vii) to the financial statements and Table 7 for details.

d Significant Intercompany Transactions with its parent and subsidiary: Please refer to Table 11 and 12 for details.

12. Segment Information

a. Industrial information

The Group operates in one electronic industry. Therefore, the disclosure of industry financial information is not applicable to the Group.

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b. Geographic information

For the year ended December 31, 2009	Taiwan	Asia Pacific (Taiwan not included)	Other	Adjustments and Eliminations	Consolidated
Revenue from other than consolidated entities	\$206,369,248	165,546,165	166,298,611	-	538,214,024
Revenue from consolidated entities	194,966,225	24,052,513	5,153,550	(224,172,288)	-
Total revenues	<u>\$401,335,473</u>	<u>189,598,678</u>	<u>171,452,161</u>	<u>(224,172,288)</u>	<u>538,214,024</u>
Segment income (loss)	<u>\$ 11,152,476</u>	<u>1,886,666</u>	<u>(287,128)</u>	<u>26,639</u>	12,778,653
Investment income under equity method					312,360
Interest expense					(153,005)
Income before income tax					<u>\$ 12,938,008</u>
Identifiable assets	<u>\$202,445,247</u>	<u>124,843,665</u>	<u>43,160,225</u>	<u>(148,781,260)</u>	221,667,877
Long-term investments under equity method					1,996,644
Consolidated charges					890,311
Total asset					<u>\$ 224,554,832</u>

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For the year ended December 31, 2008	Taiwan	Asia Pacific (Taiwan not included)	Other	Adjustments and Eliminations	Consolidated
Revenue from other than consolidated entities	\$ 269,350,225	113,496,014	148,420,056	-	531,266,295
Revenue from consolidated entities	66,184,381	88,598,377	11,153,279	(165,936,037)	-
Total revenues	\$ 335,534,606	202,094,391	159,573,335	(165,936,037)	531,266,295
Segment income (loss)	\$ 5,934,552	3,938,217	162,001	(359,389)	9,675,381
Investment income under equity method					93,947
Interest expense					(289,515)
Income before income tax					\$ 9,479,813
Identifiable assets	\$ 145,281,353	91,977,765	46,230,375	(70,307,076)	213,182,417
Long-term investments under equity method					2,665,994
Consolidated charges					882,284
Total asset					\$ 216,730,695

c. Export sales

Rregion	For the Years Ended December 31	
	2009	2008
America	78,170,725	73,658,294
Asia Pacific	165,546,165	113,496,014
Europe	87,867,261	74,004,981
Others	260,625	756,782
Total Export	331,844,776	261,916,071

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d. Major clients

Sales to individual customers constituting over 10% of gross revenue were summarized as follows:

Name of Company	For the Years Ended December 31			
	2009		2008	
	Amount	%	Amount	%
A Company	\$ 199,185,518	37.01%	\$ 184,230,068	34.68%
B Company	80,201,365	14.90%	90,671,729	17.07%
	\$ 279,386,883	51.91%	\$ 274,901,797	51.75%

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For investor companies who directly or indirectly have major influence or control over the investee company, their names, locations and related information
For the year ended December 31, 2009
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Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2009			Net Income (Loss) of the Investee	Investment Income (Loss) Recognized by the Investor Company	Note
				As of December 31, 2009	As of December 31, 2008	Shares	Percentage of Ownership	Carrying Amount			
The Company	UNIHAN CORPORATION	Taipei City	Designing, manufacturing, maintaining and selling computer peripherals and audio-video products.	12,098,279	12,098,279	840,105,000	100.00%	15,408,963	2,436,107	2,450,190	
"	ASUSPOWER INVESTMENT CO.,LTD.	Taipei City	Investing activities.	13,033,429	13,033,429	841,900,000	100.00%	14,342,702	460,479	460,479	
"	ASUS INVESTMENT CO.,LTD.	Taipei City	Investing activities.	16,184,982	16,184,982	908,600,000	100.00%	15,528,237	845,202	845,202	
"	ASUSTEK INVESTMENT CO.,LTD.	Taipei City	Investing activities.	14,593,543	14,593,543	872,700,000	100.00%	14,686,690	211,847	211,847	
"	ADVANSUS CORP.	Taipei City	Manufacturing computer peripherals	166,364	286,364	18,000,000	50.00%	220,399	62,341	31,170	
"	Pegatron Holding Ltd.	Cayman	Investing activities.	24,281,666	21,301,063	660,197,567	100.00%	29,311,767	1,335,772	1,335,772	
"	PEGATRON USA, INC.	CA, USA	Sales and repair service center in North America	16,085	16,085	50,000	100.00%	17,813	357	357	
"	ASUS HOLLAND HOLDING B.V.	Emmen, NETHERLANDS	Investing activities.	1,153,501	1,153,501	-	92.45%	1,078,274	19,010	17,575	
UNIHAN CORPORATION	AMA PRECISION INC.	Taipei City	Designing and developing computer parts	408,394	408,394	52,000,000	100.00%	361,829	(171,482)		Exempt from disclosure of transaction information
"	Ability Enterprise Co., Ltd.	Taipei City	Selling computer peripherals, office automation equipment, digital cameras, retailing and wholesaling, of food products	2,669,779	2,669,779	55,236,195	12.63%	2,266,864	2,152,046		
"	AzureWave Technologies, Inc.	Sindian City	Manufacturing office machinery, electronic parts and computer peripherals and selling precision equipment, and digital cameras	525,750	-	32,500,000	36.00%	579,694	275,465		
"	Unihan Holding Ltd.	Cayman	Investing activities.	7,090,644	5,321,372	211,600,026	100.00%	8,155,834	353,096		
ASUSPOWER INVESTMENT CO.,LTD.	STARLINK ELECTRONICS CORPOATION	Taipei county	Manufacturing electronic parts and plastic products, and manufacturing and wholesaling electronic components	209,154	209,154	35,770,796	51.84%	148,891	(28,038)		
"	KINSUS INTERCONNECT TECHNOLOGY CORP.	Taoyuan County	Manufacturing electronic parts, wholesaling and retailing electronic components, and providing business management consultant service	727,473	727,473	55,556,221	12.46%	2,342,415	1,919,151		
"	ASROCK Incorporation	Taipei county	Data storage and processing equipment, manufacturing wired and wireless communication equipment, and whole soling of computer equipment and electronic components	82,626	82,626	2,791,000	2.43%	153,042	1,116,915		
"	Ability Enterprise Co., Ltd.	Taipei City	Selling computer peripherals, office automation equipment, digital cameras, retailing and wholesaling, of food products	582	582	10,828	0.00%	232	2,152,046		
"	Lumens Digital Optics Inc.	(Note 1) Hsinchu County	Researching, manufacturing and selling comp	464,318	28,288	10,256,232	51.28%	665,059	368,388		
"	PEGAVISION CORPORATION	Taoyuan County	Manufacturing medical appliances	100,000	-	10,000,000	27.78%	96,029	(14,296)		
"	ASUSPOWER CORPORATION	British Virgin Islands	Investing and trading activities	3,752,682	3,752,682	109,000,000	31.23%	8,793,843	(364,766)		
"	PEGATRON TECHNOLOGY SERVICE INC.	Kentucky, USA	Sales and repair service center in North America	94,475	94,475	2,800	100.00%	129,785	19,883		
"	WISE INVESTMENT LIMITED	Taipei City	Investing activities.	48,780	48,780	-	48.78%	37,125	(852)		
"	PEGA INTERNATIONAL LIMITED	Taipei City	Design service and sales	1,885	-	-	100.00%	6,363	4,478		
"	PEGATRON JAPAN Inc.	Chiba-ken Japan	Sales and repair service center in Japan	27,287	27,287	-	100.00%	58,500	17,086		
"	PEGATRON Mexico, S.A. DE C.V.	Chihuahua, Mexico	Sales and repair service center in Mexico	362,004	362,004	-	40.51%	351,514	(35,842)		
ASUS INVESTMENT CO.,LTD.	STARLINK ELECTRONICS CORPOATION	Taipei county	Manufacturing electronic parts and plastic products, and manufacturing and wholesaling electronic components	216,704	216,704	21,670,380	31.41%	90,213	(28,038)		
"	KINSUS INTERCONNECT TECHNOLOGY CORP.	Taoyuan County	Manufacturing electronic parts, wholesaling and retailing electronic components, and providing business management consultant service	938,098	938,098	60,128,417	13.48%	2,534,170	1,919,151		
"	ASROCK Incorporation	Taipei county	Data storage and processing equipment, manufacturing wired and wireless communication equipment, and whole soling of computer equipment and electronic components	155,718	155,718	57,217,754	49.74%	3,137,479	1,116,915		
"	Lumens Digital Optics Inc.	(Note 1) Hsinchu County	Researching, manufacturing and selling computer data projectors and related peripherals	6,350	26,272	617,974	3.09%	40,073	368,388		
"	ASUSPOWER CORPORATION	British Virgin Islands	Investing and trading activities	3,488,741	3,488,741	103,000,000	29.51%	8,309,520	(364,766)		
"	ASFLY TRAVEL SERVICE LIMITED	Taipei City	Travel agency	6,000	6,000	-	100.00%	18,909	4,808		
"	HUA-YUAN INVESTMENT LIMITED	Taipei City	Investing activities.	500,000	500,000	-	100.00%	596,446	122,185		
"	ASUS HOLLAND HOLDING B.V.	Emmen, NETHERLANDS	Investing activities.	77,824	77,824	-	7.55%	100,400	19,010		

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2009			Net Income (Loss) of the Investee	Investment Income (Loss) Recognized by the Investor Company	Note
				As of December 31, 2009	As of December 31, 2008	Shares	Percentage of Ownership	Carrying Amount			
"	PEGATRON Mexico, S.A. DE C.V.	Chihuahua, Mexico	Sales and repair service center in Mexico	561,698	561,698	-	59.49%	516,207	(35,842)	"	
ASUSTEK INVESTMENT CO.,LTD.	STARLINK ELECTRONICS CORPOATION	Taipei county	Manufacturing electronic parts and plastic products, and manufacturing and wholesaling electronic components	115,588	115,588	11,558,824	16.75%	48,108	(28,038)	"	
"	KINSUS INTERCONNECT TECHNOLOGY CORP.	Taoyuan County	Manufacturing electronic parts, wholesaling and retailing electronic components, and providing business management consultant service	794,252	794,252	58,233,091	13.06%	2,455,212	1,919,151	"	
"	ASROCK Incorporation	Taipei county	Data storage and processing equipment, manufacturing wired and wireless communication equipment, and whole selling of computer equipment and electronic components	223,939	223,923	7,453,405	6.48%	408,700	1,116,915	"	
"	Lumens Digital Optics Inc.	(Note 1) Hsinchu County	Researching, manufacturing and selling computer data projectors and related peripherals	4,428	26,272	430,974	2.15%	27,947	368,388	"	
"	AzureWave Technologies, Inc.	Sindian City	Manufacturing office machinery, electronic parts and computer peripherals and selling precision equipment, and digital cameras	110,340	-	6,820,846	7.56%	121,736	275,465	"	
"	ASUSPOWER CORPORATION	British Virgin Islands	Investing and trading activities	4,652,885	4,652,885	137,000,000	39.26%	11,054,956	(364,766)	"	
ASUS HOLLAND HOLDING B.V.	PEGATRON Czech s.r.o.	Czech Republic	Installing, repairing and selling electronic products	EUR 29,258,067	EUR 29,258,067	-	100.00%	EUR 28,828,758	EUR 419,371	"	
AMA PRECISION INC.	AMA Technology Corporation	Belize, Central America	Trading computer peripherals	32,838	32,838	300,000	100.00%	-	4,389	"	
"	AMA Holdings Limited	Samoa Islands	Investing activities	169,744	104,184	5,131,948	100.00%	57,061	(95,313)	"	
"	METAL TRADINGS LTD.	Samoa Islands	Trading activities	USD 2,107,000	USD 1,604,000	2,107,000	100.00%	USD 2,526,483	USD 18,227	"	
"	EXTECH LTD.	Samoa Islands	Trading electronic parts	USD 1,908,000	USD 1,604,000	1,908,000	90.51%	USD 1,318,469	(USD 141,949)	"	
"	Toptek Precision Industry(Suzhou) Co., Ltd	(Note 2) SUZHOU China	Manufacturing and selling new electronic parts and premium hardware	USD 5,500,000	USD 5,500,000	-	100.00%	USD -	(USD 1,552,747)	"	
"	METAL TRADINGS	FENGSHUO TRADING (TONGZHOU) CO. LTD	Trading activities	USD 2,100,000	USD 1,600,000	-	100.00%	USD 2,523,873	USD 19,845	"	
"	EXTTECH LTD.	GRANDTECH PRECISION (TONGZHOU) CO. LTD	Manufacturing, developing and selling electronic parts	USD 2,100,000	USD 1,800,000	-	100.00%	USD 1,453,832	(USD 140,067)	"	
"	STARLINK ELECTRONICS CORPOATION	STRATEGY Technology Co., Ltd.	Investing and trading activities	1	131,400	1	100.00%	3,860	(24,775)	"	
"	KINSUS INTERCONNECT TECHNOLOGY CORP.	KINSUS INVESTMENT CO.,LTD	Investing activities	500,000	-	50,000,000	100.00%	492,017	(7,983)	"	
"	KINSUS CORP. (USA)	CA, USA	Developing and designing new technology and products; analyzing marketing strategy and developing new customers	USD 500,000	USD 500,000	500,000	100.00%	20,194	(215)	"	
"	KINSUS HOLDING (SAMOA) LIMITED	Samoa Islands	Investing activities	USD 50,000,000	USD 15,000,000	50,000,000	100.00%	1,654,362	(15,744)	"	
"	PEGAVISION CORPORATION	Taoyuan County	Manufacturing medical appliances	204,000	-	20,400,000	56.67%	195,898	(14,296)	"	
"	KINSUS HOLDING (SAMOA) LIMITED	Cayman	Investing activities	USD 50,000,000	USD 15,000,000	50,000,000	100.00%	USD 51,650,000	(USD 476,000)	"	
"	KINSUS HOLDING (CAYMAN) LIMITED	Cayman	Investing activities	USD 50,000,000	USD 15,000,000	50,000,000	100.00%	USD 51,650,000	(USD 476,000)	"	
"	KINSUS INTERCONNECT TECHNOLOGY (SUZHOU) CORP.	SUZHOU China	Manufacturing and selling circuit boards	USD 50,000,000	USD 15,000,000	-	100.00%	USD 51,650,000	(USD 476,000)	"	
"	ASROCK Incorporation	ASIAROCK TECHNOLOGY LIMITED	Manufacturing and selling database storage and processing equipments	1,320,886	1,320,886	40,000,000	100.00%	2,674,041	127,449	"	
"	Leader Insight Holdings Ltd.	British Virgin Islands	Investing activities	71,559	71,559	2,100,000	100.00%	37,639	4,453	"	
"	ASROCK EUROPE B.V.	Nijmegen, NETHERLANDS	Database service and trading electronic components	USD 194,000	USD 194,000	200,000	100.00%	USD 5,507,108	USD 993,243	"	
"	CalRock Holdings, LLC.	CA, USA	Office building leasing	USD 2,000,000	USD 2,000,000	2,000,000	100.00%	USD 2,242,771	USD 44,863	"	
"	Leader Insight Holdings Ltd.	British Virgin Islands	Investing activities	USD 2,050,000	USD 2,050,000	2,050,000	100.00%	USD 1,164,972	USD 143,084	"	
"	Firstplace International Ltd.	ASRock America, Inc.	Database service and trading electronic components	USD 2,000,000	USD 2,000,000	2,000,000	100.00%	USD 1,125,459	USD 144,680	"	
"	Lumens Digital Optics Inc.	Lumens Integration Inc.	Selling computer communication products and peripherals	30,330	30,330	1,222,000	100.00%	68,575	3,840	"	
"	Lumens Digit Image Inc.	Samoa Islands	Investing activities	USD 250,000	USD 250,000	-	100.00%	15,306	(707)	"	
"	Lumens Europe BVBA	Belgium	Selling computer communication products and peripherals	EUR 150,000	EUR 100,000	20	100.00%	2,949	(2,581)	"	
"	Jie Xin Inc.	Hsinchu County	Trading and manufacturing electronic parts	940	940	94,000	94.00%	401	(117)	"	
"	Lumens Digit Image Inc.	SUZHOU China	Researching, manufacturing and selling projectors, projection screens and related products, and providing after-sales service	USD 250,000	USD 250,000	-	100.00%	15,306	(707)	"	
"	Lumens (Suzhou) Digital Image Inc.	CASETEK HOLDINGS LIMITED	Investing and trading activities	USD 197,291,682	USD 144,171,997	138,099,685	100.00%	USD 235,506,638	USD 9,236,276	"	
Unihan Holding Ltd.		British Virgin Islands									

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2009			Net Income (Loss) of the Investee	Investment Income (Loss) Recognized by the Investor Company	Note
				As of December 31, 2009	As of December 31, 2008	Shares	Percentage of Ownership	Carrying Amount			
CASETEK HOLDINGS LIMITED		SUZHOU China	Manufacturing, developing and selling computers, computer parts, application systems, and providing after-sales service	USD 56,000,000	USD 52,000,000	-	100.00%	USD 133,206,937	(USD 4,325,951)		
"	CASETEK COMPUTER (SUZHOU) CO.,LTD										
"	WILSON HOLDINGS LIMITED	Samoa Islands	Investing and trading activities	USD 4,000,000	USD 4,000,000	4,000,000	49.00%	USD 5,012,189	USD 460,760	"	
"	INDEED HOLDINGS LIMITED	British Virgin Islands	Investing and trading activities	USD 19,600,000	USD 14,700,000	19,600,000	49.00%	USD 22,723,960	USD 7,019,690	"	
"	SLITEK HOLDINGS LIMITED	Samoa Islands	Investing and trading activities	USD 1,210,000	USD 1,210,000	1,210,000	100.00%	USD 1,330,236	USD 415,261	"	
"	KAEDAR HOLDINGS LIMITED	Hong Honk	Investing and trading activities	USD 25,000,000	USD 25,000,000	25,000,000	100.00%	USD 31,824,145	USD 5,235,422	"	
"	KAEDAR TRADING LTD.	Samoa Islands	Investing and trading activities	USD 5,000,000	USD 5,000,000	5,000,000	100.00%	USD 11,647,602	USD 6,647,602	"	
"	CORE-TEK (SHANGHAI) LIMITED	Shanghai China	Researching and producing the parts of notebooks, designing nonmetal tooling, electronic specific equipment and related products, repairing and producing precision equipment and providing after-sales service	USD 12,000,000	USD 3,000,000	-	100.00%	USD 11,090,891	(USD 918,614)	"	
"	UNITED NEW LIMITED	Samoa Islands	Investing and trading activities	USD 16,789,220	USD 16,789,220	17,396,100	51.00%	USD 13,868,937	(USD 3,145,246)	"	
WILSON HOLDINGS LIMITED	GHING HONG PRECISE MOULD INDUSTRY (SUZHOU) CO., LTD	SUZHOU China	Manufacturing and selling mold and hardware components	USD 3,500,000	USD 3,500,000	-	100.00%	USD 6,065,432	USD 766,697	"	
"	HONG HUA TECHNOLOGY (SUZHOU) CO., LTD	SUZHOU China	Manufacturing and selling mold, hardware components, electronic instruments and magnet components of investing activities	USD 4,000,000	USD 4,000,000	-	100.00%	USD 2,995,833	(USD 345,110)	"	
"	CRYSTAL ART ENTERPRISE CO., LTD.	Samoa Islands	Investing activities	USD 200,000	USD 200,000	200,000	100.00%	USD 214,168	USD 28,298	"	
INDEED HOLDINGS LIMITED	SHANGHAI INDEED TECHNOLOGY CO., LTD.	Shanghai China	Manufacturing metal and plastic components of electronic products	USD 30,000,000	USD 30,000,000	-	100.00%	USD 46,377,866	USD 7,022,014	"	
SLITEK HOLDINGS LIMITED	ZhangJiaGang Dongbu High Technology Metal Products Co.,LTD	SUZHOU China	Steel cutting and assembling industry	USD 1,200,000	USD 1,200,000	-	20.00%	USD 1,323,312	USD 2,080,325	"	
KAEDAR HOLDINGS LIMITED	KAEDAR ELECTRONICS (KUNSHAN) CO.,LTD	KUNSHAN China	Tooling module of stainless steel computer cases	USD 24,506,998	USD 24,506,998	-	100.00%	USD 31,319,314	USD 5,235,400	"	
UNITED NEW LIMITED	AVY PRECISION ELECTROPLATING (SUZHOU) CO., LTD.	SUZHOU China	Manufacturing and selling electronic and camera components, and accessories	USD 34,000,000	USD 34,000,000	-	100.00%	USD 25,971,898	(USD 5,195,863)	"	
AzureWave Technologies, Inc.	EZWAVE TECHNOLOGIES, INC.	Taipei City	Selling computer peripherals	5,015	5,015	500,000	100.00%	-	(2,582)	"	
"	YOFREE TECHNOLOGY CO., LTD.	Taipei county	Manufacturing electronic part	10,500	9,000	1,050,000	17.50%	9,867	10,535	"	
"	EZWAVE TECHNOLOGIES, INC.	(Note 3) Taipei county	Manufacturing and selling of LED bulb	25,000	-	2,000,000	100.00%	26,522	3,707	"	
"	Azwave Holding (Samoa) Inc.	Samoa Islands	Investing activities	402,540	66,800	12,000,000	100.00%	384,570	3,523	"	
"	Eminent Star Company Limited	British Virgin Islands	Investing activities	23,376	23,376	387,923	100.00%	15,748	703	"	
Azwave Holding (Samoa) Inc.	AzureWave Technologies (Shanghai) Inc.	Shanghai China	Manufacturing electronic part	USD 10,000,000	USD 2,000,000	-	100.00%	USD 10,044,986	USD 131,787	"	
"	AzureLighting Technologies ,INC (Yangzhou)	Yangzhou China	Manufacturing and selling of LED indoor lighting products	USD 2,000,000	-	-	100.00%	USD 1,976,581	(USD 23,033)	"	
Eminent Star Company Limited	Jade Technologies Limited	Brunei	Investing activities	USD 100,943	USD 100,943	44,781	100.00%	USD 98,630	USD 20,371	"	
"	Hannex International Limited	Cayman	Investing activities	USD 178,235	USD 178,235	178,235	100.00%	USD 143,089	(USD 17,371)	"	
"	Azurewave Technology(Shenzhen)Co.,Ltd	Shenzhen China	Designing, researching and selling computer products	USD 1,799,440	USD 1,799,440	-	66.67%	USD 186,818	USD 52,662	"	
Jade Technologies Limited	Azurewave Technology(Shenzhen)Co.,Ltd	Shenzhen China	Designing, researching and selling computer products	USD 900,964	USD 900,964	-	33.33%	USD 93,395	USD 52,662	"	
Hannex International Limited	Scientek.Nanjing Co.,Ltd	Nanjing China	Designing, researching and selling computer products	USD 1,500,000	USD 1,500,000	-	100.00%	USD 142,754	(USD 32,771)	"	
Ability Enterprise Co., Ltd.	ABILITY ENTERPRISE (BVI) CO., LTD.	British Virgin Islands	Investing activities	852,156	852,156	-	100.00%	2,944,820	105,294	"	
"	ACTION PIONEER INTERNATIONAL LTD.	PORT LOUIS MAURITIUS	Trading activities	67,330	67,330	-	100.00%	60,805	(3)	"	
"	VIEWQUEST TECHNOLOGIES INTERNATIONAL INC.	CA, USA	Selling computer peripherals, digital cameras and electronic components	50,729	50,729	-	100.00%	388	-	"	
"	VIEWQUEST TECHNOLOGIES (BVI) INC.	British Virgin Islands	Selling computer peripherals, digital cameras and electronic components	681,764	681,764	-	100.00%	16,788	94,809	"	
"	ASSOCIATION INTERNATIONAL LTD.	Samoa Islands	Investing activities	38,772	38,772	-	100.00%	15,719	(2,125)	"	
"	Ability International Investment Co., Ltd.	Taipei City	Investing activities	573,132	573,132	57,313,286	100.00%	705,329	171,122	"	
"	Avy Precision Technology Inc.	Taipei City	Purchase-Selling components of optical	280,869	103,170	15,115,631	20.39%	750,051	595,841	"	
ABILITY ENTERPRISE (BVI) CO., LTD.	EVER PINE INTERNATIONAL LTD. (BVI)	British Virgin Islands	Selling, import and export metal and plastic parts of small-scale motor, camera plastic cases, and optical instruments	USD 1,920,303	USD 1,920,303	-	34.65%	USD 3,788,897	(USD 1,228,463)	"	
"	SHIN-EI YORKEY INTERNATIONAL LTD.	British Virgin Islands	Investing activities	USD 500,000	USD 500,000	-	50.00%	USD 888,391	(USD 286,520)	"	
"	YORKEY OPTICAL INTERNATIONAL (CAYMAN) LTD.	Cayman	Manufacturing and selling of plastic and metal components of optical products, including digital camera, computer equipment, mobile, optical camera and other products	USD 5,294,206	USD 6,304,440	143,817,000	17.37%	USD 29,493,230	USD 5,268,612	"	
"	Ability Technology (Dongguan)Co., Ltd	Dongguan China	Producing and selling digital cameras	USD 20,939,900	USD 18,000,000	-	100.00%	USD 23,573,090	USD 96,869	"	
ASSOCIATION INTERNATIONAL	PENTAX VQ CO., LTD.	Hong Honk	Trading activities	USD 1,200,000	USD 1,200,000	-	40.00%	USD 1,829,659	(USD 65,595)	"	
Pegatron Holding Ltd.	BOARDTEK HOLDING LIMITED	British Virgin Islands	Investing and trading activities	-	USD 78,166,193	-	-	-	USD 8,857,773	"	
"	BOARDTEK HOLDINGS LTD. (Cayman)	(Note 6) Cayman	Investing and trading activities	USD 100,297,260	USD -	100,000,000	100.00%	USD 100,050,085	(USD 4,480)	"	

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2009			Net Income (Loss) of the Investee	Investment Income (Loss) Recognized by the Investor Company	Note
				As of December 31, 2009	As of December 31, 2008	Shares	Percentage of Ownership	Carrying Amount			
BOARDTEK HOLDINGS LTD.	BOARDTEK HOLDING LIMITED	(Note 6) British Virgin Islands	Investing and trading activities	USD 100,297,260	USD -	52,085,790	100.00%	USD 100,054,565	USD 8,857,773	"	
Pegatron Holding Ltd.	MAGNIFICENT BRIGHTNESS LIMITED	British Virgin Islands	Investing and trading activities	USD 260,380,848	USD 226,380,848	177,961,090	100.00%	USD 382,320,348	USD 36,239,465	"	
"	STRONG CHOICE GROUP LIMITED	(Note 7) British Virgin Islands	Investing and trading activities	-	-	-	-	-	Note	"	
"	WEST TEC ASIA LIMITED	(Note 7) British Virgin Islands	Investing and trading activities	-	USD 30,000	-	-	-	Note	"	
"	PROTEK GLOBAL HOLDINGS LTD.	British Virgin Islands	Investing and trading activities	USD 225,160,628	USD 225,160,628	233,050,000	100.00%	USD 319,977,543	USD 5,494,770	"	
"	NORTH TEC ASIA LIMITED	British Virgin Islands	Investing and trading activities	USD 74,237,901	USD 34,237,901	75,050,000	100.00%	USD 84,825,742	(USD 8,411,302)	"	
"	ASLINK PRECISION CO., LTD.	Cayman	Investing and trading activities	USD 20,606,722	USD 20,606,722	19,093,263	100.00%	USD 19,654,527	(USD 2,084,163)	"	
"	DIGITEK GLOBAL HOLDINGS LIMITED	British Virgin Islands	Investing and trading activities	USD 48,511	USD 48,511	50,000	100.00%	USD 168,454	USD 106,767	"	
"	COTEK HOLDINGS LIMITED	(Note 4) British Virgin Islands	Investing and trading activities	USD 533,635	USD 533,635	12,260,000	100.00%	-	(USD 1,308,257)	"	
"	TOP QUARK LIMITED	Hong Honk	Investing and holding activities	USD 8,594,482	-	7,550,000	100.00%	USD 9,988,995	USD 349,010	"	
"	POWTEK HOLDINGS LIMITED	(Note 5) British Virgin Islands	Investing and trading activities	USD 13,145,510	USD 8,050,000	8,050,000	100.00%	USD 15,471,191	USD 238,841	"	
BOARDTEK HOLDING LIMITED	BOARDTEK COMPUTER (SUZHOU) CO., LTD	SUZHOU China	Developing, manufacturing and selling new electronic components, circuit boards and relevant products, and providing after-sales service	USD 52,000,000	USD 52,000,000	-	100.00%	USD 99,486,590	USD 8,343,029	"	
"	BOARDTEK (H.K.) TRADING LIMITED	Hong Honk	Trading activities	USD 25,790	-	200,000	100.00%	USD 545,609	USD 516,344	"	
MAGNIFICENT BRIGHTNESS LIMITED	MAINTEK COMPUTER(SUZHOU)CO.,LTD	SUZHOU China	Manufacturing, developing and selling power supply units, computer cases, computer systems, notebooks, main boards, and computer peripherals, and providing after-sales service	USD 176,800,000	USD 128,000,000	-	100.00%	USD 382,207,558	USD 36,253,308	"	
STRONG CHOICE GROUP LIMITED	MAINTEK COMPUTER(SUZHOU)CO.,LTD	SUZHOU China	Manufacturing, developing and selling power supply units, computer cases, computer systems, notebooks, main boards, and computer peripherals, and providing after-sales service	-	USD 12,000,000	-	-	-	USD 36,253,308	"	
WEST TEC ASIA LIMITED	MAINTEK COMPUTER(SUZHOU)CO.,LTD	SUZHOU China	Manufacturing, developing and selling power supply units, computer cases, computer systems, notebooks, main boards, and computer peripherals, and providing after-sales service	-	USD 2,800,000	-	-	-	USD 36,253,308	"	
PROTEK GLOBAL HOLDINGS LTD.	Protek (ShangHai) Limited	Shanghai China	Manufacturing, developing and selling computers, printers and electronic components, and providing after-sales	USD 233,000,000	USD 233,000,000	-	75.65%	USD 319,948,222	(USD 2,908,795)	"	
NORTH TEC ASIA LIMITED	Protek (ShangHai) Limited	(Note 8) Shanghai China	Manufacturing, developing and selling computers, printers and electronic components, and providing after-sales	USD 75,000,000	USD 35,000,000	-	24.35%	USD 84,779,502	(USD 2,908,795)	"	
COTEK HOLDINGS LIMITED	COTEK ELECTRONICS(SUZHOU)CO.,LTD	SUZHOU China	R&D, manufacturing and selling new electronic components, providing mold technology, and after-sales service	USD 12,000,000	USD 12,000,000	-	100.00%	-	(USD 1,306,345)	"	
TOP QUARK LIMITED	RUNTOP (SHANGHAI) CO., LTD.	Shanghai China	Manufacturing and selling computer parts and peripherals of digital automatic data processors, multimedia computer system accessories, power supply units, network switches, and modems	USD 7,695,000	USD 5,195,000	-	100.00%	USD 9,946,497	USD 353,135	"	
POWTEK HOLDINGS LIMITED	Powtek (Shanghai) Co., Ltd.	Shanghai China	Selling main boards, computer peripherals, note books, servers and software, and providing after-sales service	USD 8,000,000	USD 8,000,000	-	100.00%	USD 15,439,305	USD 241,138	"	
ASLINK PRECISION CO., LTD.	ASLINK (H.K.) PRECISION CO., LIMITED	South KLN, Hong Kong	Investing and trading activities	USD 4,785,010	USD 4,785,010	4,785,010	100.00%	USD 3,959,062	(USD 3,552,770)	"	
ASLINK (H.K.) PRECISION CO., LIMITED	LINKTEK PRECISION (SUZHOU) CO.,LIMITED	SUZHOU China	Manufacturing and selling the connector of earphones.	USD 6,984,448	USD 6,984,448	-	100.00%	USD 689,796	(USD 2,468,696)	"	
ASLINK PRECISION CO., LTD.	ASAP INTERNATIONAL CO., LIMITED	Hong Honk	Investing and activities	USD 8,875,000	USD 6,375,000	8,875,000	59.17%	USD 10,412,215	USD 2,387,701	"	
ASAP INTERNATIONAL	ASAP TECHNOLOGY (JIANGXI) CO.,LIMITED	JIANGXI China	Manufacturing and selling date transit wire and cable	USD 14,460,000	USD 12,460,000	-	100.00%	USD 17,308,392	USD 2,636,331	"	

Note 1: Recognition of investment income or loss for investee company, Lumens Digital Optics Inc. was modified to account for under the equity method.

Note 2: Due to the reorganization of oversea investment structure, the investor company with 100% ownership of the investee company was swapped from AMA Corporation to AMA Holdings Limited.

Note 3: Effective November 5, 2009, the investee was renamed as EZWAVE TECHNOLOGIES, INC.

Note 4: Due to the reorganization of oversea investment structure, the investor company with 100% ownership of the investee company was swapped from STRATEGY Technology Co., Ltd. to Pegatron Holding Ltd..

Note 5: Due to the reorganization of oversea investment structure, the investor company with 100% ownership of the investee company was swapped from ASUSTEK Holdings Limited to Pegatron Holding Ltd..

Note 6: Due to the reorganization of oversea investment structure, the investor company with 100% ownership of the investee company company was swapped from Pegatron Holding Ltd. to BOARDTEK HOLDINGS LTD. (Cayman).

Note 7: Due to the reorganization of oversea investment structure, STRONG CHOICE GROUP LIMITED and WEST TEC ASIA LIMITED were merged by MAGNIFICENT BRIGHTNESS LIMITED and dissolved after the merger.

Note 8: Due to the reorganization of oversea investment structure, NORTH TEC ASIA (SHANGHAI) LIMITED was merged with Protek (ShangHai) Limited as the dissolved entity after the merger. The merger was approved by Administration of Industry and Commerce, and in process of examination by Administration of State Taxation.

Note 9: The information on the table above was not adjusted under preparation basis of pro forma financial statements.

Note 10: Transactions in relation to consolidated entities illustrated on the table above were eliminated in consolidated financial statements.

Note 11: As above-mentioned information, shares held at the year end were equivalent to the highest shares held during the year.

(English Translation of Financial Report Originally Issued in Chinese)
PEGATRON CORPORATION AND ITS SUBSIDIARIES
 Loans of capital to others
 For the year ended December 31, 2009
 (Expressed in thousands of New Taiwan dollars, unless specified otherwise)

No.	Lender	Borrower	Financial Statement Account	Highest Balance during the Year	Interest Rate	Type of Financing	Amount of commercial dealings	Reason for Short-term Financing (Note 5)	Allowance for Bad Debt Account	Pledges		Maximum amount of loan limit to individual (Note 6)	Maximum aggregated amount of loan limit to others (Note 6)
										Item	Value		
(Note1)			(Note2)	Balance at the period end		(Note3)	(Note4)						
1	ASUSPOWER CORPORATION	DEEP DELIGHT LIMITED	Other receivables	USD 2,200,000	- 0.50%	(2)	-	For operating use	-	-	-	USD 132,033,379	USD 176,044,505
1	ASUSPOWER CORPORATION	PEGATRON JAPAN Inc.	Other receivables	USD 300,000	- 0.50%	(2)	-	For operating use	-	-	-	USD 132,033,379	USD 176,044,505
2	MAINTEK COMPUTER(SUZHOU)CO.,LTD	COTEK ELECTRONICS(SUZHOU)CO.,LTD	Other receivables	CNY 126,969,449	-	(2)	-	Financial support	-	-	-	CNY 391,468,447	CNY 782,936,895
2	MAINTEK COMPUTER(SUZHOU)CO.,LTD	CASETEK COMPUTER (SUZHOU) CO.,LTD	Other receivables	CNY 270,110,000	-	(2)	-	Financial support	-	-	-	CNY 391,468,447	CNY 782,936,895
2	MAINTEK COMPUTER(SUZHOU)CO.,LTD	BOARDTEK COMPUTER (SUZHOU) CO., LTD	Other receivables	CNY 40,990,000	-	(2)	-	Financial support	-	-	-	CNY 391,468,447	CNY 782,936,895
2	MAINTEK COMPUTER(SUZHOU)CO.,LTD	LINKTEK PRECISION (SUZHOU) CO.,LIMITED	Other receivables	CNY 5,000,000	-	(2)	-	Financial support	-	-	-	CNY 391,468,447	CNY 782,936,895
3	MAINTEK COMPUTER(SUZHOU)CO.,LTD	CASETEK COMPUTER (SUZHOU) CO.,LTD	Other receivables	CNY 40,360,000	-	(2)	-	Financial support	-	-	-	CNY 314,734,772	CNY 472,102,157
4	AzureWave Technologies, Inc.	AzureWave Technologies (Shanghai) Inc.	Other receivables	NTD 90,928	-	(1)	361,906	For operating use	-	-	-	NTD 322,052	NTD 322,052
5	ABILITY ENTERPRISE (BVI) CO., LTD.	ASSOCIATION INTERNATIONAL LTD.	Other receivables	NTD 44,156	NTD 43.053	(2)	-	For operating use	-	promissory note	USD 1,345,819	USD 36,889,771	USD 36,889,771
5	ABILITY ENTERPRISE (BVI) CO., LTD.	Ability Technology (Dongguan)Co., Ltd	Other receivables	NTD 456,059	NTD 363.087	(2)	-	For operating use	-	promissory note	USD 11,400,000	USD 36,889,771	USD 36,889,771
6	ASLINK PRECISION CO.,LIMITED	LINKTEK PRECISION (SUZHOU) CO.,LIMITED	Other receivables	USD 2,500,000	- 1.50%	(2)	-	For operating use	-	-	-	USD 2,948,179	USD 5,896,358
7	CASETEK HOLDINGS LTD.	KAEDAR ELECTRONICS (KUNSHAN) CO.,LTD	Other receivables	USD 4,500,000	0.58063%	(2)	-	Financial support	-	-	-	USD 35,325,996	USD 47,101,328

Note 1: Number for lender companies are identified as follows:

- 1: issuer; 0
- 2: Investee Company is got sequence number starting from 1.

Note 2: These transactions were accounted for as intercompany accounts receivable, due to stockholders, prepayments, receipt in advance, and etc.

Note 3: Representative for nature of financing are as follows:

- (1) Business relationship
- (2) Short-term financing

Note 4: It is required to disclose amounts of commercial dealings when nature for financing is (1).

Note 5: It is required to disclose reasons for short-term financing when nature for financing is (2).

Note 6: The limit of loan was based on actual net assets of the Company, was not considering been adjusted under preparation basis of pro forma financial sta

The maximum aggregated amount of loan limit to others was calculated as follows:

- In accordance with loan policies of ASUSPOWER CORPORATION, the aggregated amount of loans to others shall not exceed 20% of its carrying amount of shareholders' equity.
- In accordance with loan policies of MAINTEK COMPUTER(SUZHOU)CO.,LTD., the aggregated amount of loans to others shall not exceed 30% of its carrying amount of shareholders' equity.
- In accordance with loan policies of BOARDTEK COMPUTER (SUZHOU) CO., LTD., the aggregated amount of loans to others shall not exceed 30% of its carrying amount of shareholders' equity.
- In accordance with loan policies of AzureWave Technologies, Inc., the aggregated amount of loans to others shall not exceed 20% of its carrying amount of shareholders' equity.
- In accordance with loan policies of ABILITY ENTERPRISE (BVI)CO., LTD., the aggregated amount of loans to others shall not exceed 40% of its carrying amount of shareholders' equity. For those investee company's 100% ownership held by the parent company of ABILITY ENTERPRISE (BVI)CO., LTD., they were exempt from above-mentioned loan limit and maximum duration for one year.
- In accordance with loan policies of ASLINK PRECISION CO.,LIMITED, the aggregated amount of loans to others shall not exceed 30% of its carrying amount of shareholders' equity.
- In accordance with loan policies of CASETEK HOLDINGS LTD., the aggregated amount of loans to others shall not exceed 20% of its carrying amount of shareholders' equity.

The maximum amount of loan limit for individual entity:

- In accordance with loan policies of ASUSPOWER CORPORATION, the aggregated amount of loans to individual entity shall not exceed 15% of its carrying amount of shareholders' equity.
- In accordance with loan policies of MAINTEK COMPUTER(SUZHOU)CO.,LTD., the aggregated amount of loans to individual entity shall not exceed 15% of its carrying amount of shareholders' equity.
- In accordance with loan policies of BOARDTEK COMPUTER (SUZHOU) CO., LTD., the aggregated amount of loans to individual entity shall not exceed 20% of its carrying amount of shareholders' equity.
- In accordance with loan policies of AzureWave Technologies, Inc., the aggregated amount of loans to individual entity shall not exceed 20% of its carrying amount of shareholders' equity.
- In accordance with loan policies of ABILITY ENTERPRISE (BVI)CO., LTD., the aggregated amount of loans to individual entity shall not exceed 40% of its carrying amount of shareholders' equity. For those investee company's 100% ownership held by the parent company of ABILITY ENTERPRISE (BVI)CO., LTD., they were exempt from above-mentioned loan limit and maximum duration for one year.
- In accordance with loan policies of ASLINK PRECISION CO.,LIMITED, the aggregated amount of loans to individual entity shall not exceed 15% of its carrying amount of shareholders' equity.
- In accordance with loan policies of CASETEK HOLDINGS LTD., the aggregated amount of loans to individual entity shall not exceed 15% of its carrying amount of shareholders' equity.

Note 7: Transactions denominated in foreign currencies were translated into New Taiwan dollars at the exchange rate prevailing on the balance sheet date.

Spot rates of foreign currencies to New Taiwan Dollar listed on December 31, 2009 were USD 1 to NTD 31.99, EUR 1 to NTD 46.10, JPY 1 to NTD 0.3472, and CNY 1 to NTD 4.6850.)

Note 8: Transactions in relation to consolidated entities illustrated on the table above were eliminated in consolidated financial statements.

Table 3

(English Translation of Financial Report Originally Issued in Chinese)
PEGATRON CORPORATION AND ITS SUBSIDIARIES
Endorsements and guarantees to others
For the year ended December 31, 2009
 (Expressed in thousands of New Taiwan dollars, unless specified otherwise)

No (Note1)	Endorsed/Guaranteed Party		Limits of endorsements/guarantees to a single entity(Note3)	Highest balance of endorsements/guarantees of the period (Note4)	Balance of endorsements / guarantees at period ended (Note4)	Collateral	Ratio of cumulative endorsements/guarantees to the Company's net worth based on the most recent financial statements	Aggregated limit of endorsements/guarantees (Note3)	
	Endorsement provider/Guarantor	Name							Nature of Relationship
1	ASROCK Incorporation	ASIAROCK TECHNOLOGY LIMITED	(Note 2)	4,415,735	984,300 (USD 30,000,000)	-	-	4,415,735	
2	ASLINK (H.K.) PRECISION CO.,LIMITED	LINKTEK PRECISION (SUZHOU) CO.,LIMITED	"	USD 1,187,734	USD 800,000	USD 800,000	USD 240,000	20.21%	USD 2,771,378
3	Ability Enterprise Co., Ltd.	ABILITY ENTERPRISE (BVI) CO., LTD.	"	9,302,094	611,135 (USD19,000,000)	607,810 (USD19,000,000)	-	6.53%	9,302,094
3	Ability Enterprise Co., Ltd.	VIEWQUEST TECHNOLOGIES (BVI) INC.	"	9,302,094	1,718,557	1,710,159	-	18.38%	9,302,094
3	Ability Enterprise Co., Ltd.	ACTION PIONEER INTERNATIONAL LTD.	"	9,302,094	46,693 (USD 1,423,137)	22,394 (USD 700,020)	-	0.24%	9,302,094
4	UNIHAN CORPORATION	KAEDAR TRADING LTD.	"	4,622,689	627,004 (USD19,600,000)	627,004 (USD19,600,000)	-	4.07%	10,786,274
4	UNIHAN CORPORATION	KAEDAR ELECTRONICS (KUNSHAN) CO.,LTD	"	4,622,689	319,900 (USD10,000,000)	-	-	-	10,786,274
4	UNIHAN CORPORATION	United New Ltd	"	4,622,689	927,710 (USD29,000,000)	927,710 (USD29,000,000)	-	6.02%	10,786,274
4	UNIHAN CORPORATION	AVY PRECISION ELECTROPLATING (SUZHOU) CO., LTD	"	4,622,689	407,873 (USD12,750,000)	407,873 (USD12,750,000)	-	2.65%	10,786,274

Note 1: Number for lender companies are identified as follow:

- 1: issuer: 0
2. Investee Company is got sequence number starting from 1.

Note 2: Relationship between guarantor and guarantee :

- (1) Business relationship
- (2) Directly owned 50% or more of the subsidiary's common stock outstanding.
- (3) Jointly held 50% or more common shares of the investee company by its parent company and affiliates.
- (4) Parent company that directly or indirectly holds more than 50% of the ore common shares in the investee company.
- (5) The company fulfills its contractual obligations by providing mutual endorsements/guarantees for another company or for joint builders for purposes of undertaking a construction project.
- (6) All capital contributing shareholders make endorsements/guarantees for their jointly invested company in proportion to their shareholding percentage.
- (7)The Company's parent

Note 3: The maximum aggregated amount of endorsement and guarantee limit was calculated as follows (The limit of endorsements and guarantees was based on actual net assets of the Company, was not considering been adjusted under preparation basis of pro forma financial statements.):

- In accordance with endorsement and guarantee policies of ASROCK Incorporation, the aggregated endorsement and guarantee amount shall not exceed 70% of its carrying amount of shareholders' equity.
- In accordance with endorsement and guarantee policies of ASLINK (H.K.) PRECISION CO., LTD., the aggregated endorsement and guarantee amount shall not exceed 70% of its carrying amount of shareholders' equity.
- In accordance with endorsement and guarantee policies of Ability Enterprise Co., Ltd., the aggregated endorsement and guarantee amount shall not exceed 100% of its carrying amount of shareholders' equity.
- In accordance with endorsement and guarantee policies of UNIHAN CORPORATION, the aggregated endorsement and guarantee amount shall not exceed 70% of its carrying amount of shareholders' equity.

The maximum amount of endorsement and guarantee limit to an individual entity (The limit of endorsements and guarantees was based on actual net assets of the Company, was not considering been adjusted under preparation basis of pro forma financial statements.):

- In accordance with endorsement and guarantee policies of ASROCK Incorporation, the aggregated endorsement and guarantee amount to an individual entity shall not exceed 70% of its carrying amount of shareholders' equity.
- In accordance with endorsement and guarantee policies of ASLINK (H.K.) PRECISION CO., LTD., the aggregated endorsement and guarantee amount to an individual entity shall not exceed 30% of its carrying amount of shareholders' equity.
- In accordance with endorsement and guarantee policies of Ability Enterprise Co., Ltd., the aggregated endorsement and guarantee amount to an individual entity shall not exceed 100% of its carrying amount of shareholders' equity.
- In accordance with endorsement and guarantee policies of UNIHAN CORPORATION, the aggregated endorsement and guarantee amount to an individual entity shall not exceed 30% of its carrying amount of shareholders' equity.

Note 4: Transactions denominated in foreign currencies were translated into New Taiwan dollars at the exchange rate prevailing on the balance sheet date.

(spot rates of foreign currencies to New Taiwan Dollar listed on December 31, 2009 were USD 1 to NTD 31.99, EUR 1 to NTD 46.10, JPY 1 to NTD 0.3472, and CNY 1 to NTD 4.6850.)

Note 5: Transactions in relation to consolidated entities illustrated on the table above were eliminated in consolidated financial statements.

(English Translation of Financial Report Originally Issued in Chinese)
PEGATRON CORPORATION AND ITS SUBSIDIARIES
 Period end marketable securities holding
 As of December 31, 2009
 (Expressed in thousands of New Taiwan dollars, unless specified otherwise)

Marketable Securities			Relationship with the Issuer of Securities	End of the Period					
Holding Company	Type	Name		Financial Statement Account	Shares/Units	Carrying Amount	Percentage of ownership	Fair Value	Note
UNIHAN CORPORATION	Stock	WAI-GIN INDUSTRIAL CO.,LTD	-	financial assets at cost - noncurrent	3,000,000	14,712	4.41%	-	
"	Stock	AMA PRECISION INC.	An investee company accounted for under the equity method	long-term investments at equity	52,000,000	361,829	100.00%	361,829	
"	Stock	Ability Enterprise Co., Ltd.	An investee company accounted for under the equity method	long-term investments at equity	55,236,195	2,266,864	12.63%	3,468,833	
"	Stock	AzureWave Technologies, Inc.	An investee company accounted for under the equity method	long-term investments at equity	32,500,000	579,694	36.00%	579,694	
"	Stock	Unihan Holding Ltd.	An investee company accounted for under the equity method	long-term investments at equity	211,600,026	8,155,834	100.00%	8,155,834	
ASUSPOWER INVESTMENT CO.,LTD.	Fund	Cathay Bond Fund	-	financial assets at fair value through income statement	1,187,691	14,199	-	14,199	
"	Fund	Yuanta Wan-Tai Fund	-	financial assets at fair value through income statement	1,129,765	16,347	-	16,347	
"	Fund	JF (Taiwan) Bond Fund	-	financial assets at fair value through income statement	3,390,540	53,522	-	53,522	
"	Stock	Atheros Communications Inc.	-	financial assets in available-for-sale-noncurrent	503,741	551,766	0.98%	551,766	
"	Stock	LOTES CO., LTD	-	financial assets in available-for-sale-noncurrent	1,883,485	333,377	2.54%	333,377	
"	Stock	Ralink Technology Corp.	-	financial assets in available-for-sale-noncurrent	4,886,720	564,416	3.89%	564,416	
"	Stock	YOUNG FAST OPTOELECTRONICS CO., LTD	-	financial assets in available-for-sale-noncurrent	248,547	87,364	0.19%	87,364	
"	Stock	TrendChip Technologies Corp.	-	financial assets in available-for-sale-noncurrent	2,420,520	334,032	6.69%	334,032	
"	Stock	ZOWIE Technology Corporation	-	financial assets at cost - noncurrent	472,000	-	1.72%	-	
"	Stock	Terax Communication Technologies Inc.	-	financial assets at cost - noncurrent	12,140	-	0.08%	-	
"	Stock	THE INFOPRO GROUP INC.	-	financial assets at cost - noncurrent	446,805	-	4.60%	-	
"	Stock	Mobitek Communication Corp.	-	financial assets at cost - noncurrent	5,662,500	18,637	14.01%	-	
"	Stock	WIN Semiconductor Corp.	-	financial assets at cost - noncurrent	7,500,000	150,000	1.26%	-	
"	Stock	STARLINK ELECTRONICS CORPOATION	An investee company accounted for under the equity method	long-term investments at equity	35,770,796	148,891	51.84%	148,891	
"	Stock	KINSUS INTERCONNECT TECHNOLOGY CORP.	An investee company accounted for under the equity method	long-term investments at equity	55,556,221	2,342,415	12.46%	4,755,613	
"	Stock	ASROCK Incorporation	An investee company accounted for under the equity method	long-term investments at equity	2,791,000	153,042	2.43%	439,583	
"	Stock	Ability Enterprise Co., Ltd.	An investee company accounted for under the equity method	long-term investments at equity	10,828	232	0.00%	680	
"	Stock	Lumens Digital Optics Inc.	(Note 1) An investee company accounted for under the equity method	long-term investments at equity	10,256,232	665,059	51.28%	665,059	
"	Stock	PEGAVISION CORPORATION	An investee company accounted for under the equity method	long-term investments at equity	10,000,000	96,029	27.78%	96,029	
"	Stock	ASUSPOWER CORPORATION	An investee company accounted for under the equity method	long-term investments at equity	109,000,000	8,793,843	31.23%	8,793,843	
"	Stock	PEGATRON TECHNOLOGY SERVICE INC.	An investee company accounted for under the equity method	long-term investments at equity	2,800	129,785	100.00%	129,785	
"	capital	WISE INVESTMENT LIMITED	An investee company accounted for under the equity method	long-term investments at equity	-	37,125	48.78%	37,125	
"	capital	PEGA INTERNATIONAL LIMITED	An investee company accounted for under the equity method	long-term investments at equity	-	6,363	100.00%	6,363	
"	capital	PEGATRON JAPAN Inc.	An investee company accounted for under the equity method	long-term investments at equity	-	58,500	100.00%	58,500	
"	capital	PEGATRON Mexico, S.A. DE C.V.	An investee company accounted for under the equity method	long-term investments at equity	-	351,514	40.51%	351,514	
ASUS INVESTMENT CO.,LTD.	Fund	Cathay Bond Fund	-	financial assets at fair value through income statement	1,559,275	18,641	-	18,641	
"	Fund	Polaris De-Li Fund	-	financial assets at fair value through income statement	2,824,315	44,045	-	44,045	
"	Fund	Yuanta Wan-Tai Fund	-	financial assets at fair value through income statement	7,368,937	106,626	-	106,626	
"	Stock	STARLINK ELECTRONICS CORPOATION	An investee company accounted for under the equity method	long-term investments at equity	21,670,380	90,213	31.41%	90,213	
"	Stock	KINSUS INTERCONNECT TECHNOLOGY CORP.	An investee company accounted for under the equity method	long-term investments at equity	60,128,417	2,534,170	13.48%	5,146,992	
"	Stock	ASROCK Incorporation	An investee company accounted for under the equity method	long-term investments at equity	57,217,754	3,137,479	49.74%	9,011,796	
"	Stock	Lumens Digital Optics Inc.	(Note 1) An investee company accounted for under the equity method	long-term investments at equity	617,974	40,073	3.09%	40,073	
"	Stock	ASUSPOWER CORPORATION	An investee company accounted for under the equity method	long-term investments at equity	103,000,000	8,309,520	29.51%	8,309,520	
"	capital	ASFLY TRAVEL SERVICE LIMITED	An investee company accounted for under the equity method	long-term investments at equity	-	18,909	100.00%	18,909	
"	capital	HUA-YUAN INVESTMENT LIMITED	An investee company accounted for under the equity method	long-term investments at equity	-	596,446	100.00%	596,446	
"	capital	ASUS HOLLAND HOLDING B.V.	An investee company accounted for under the equity method	long-term investments at equity	-	100,400	7.55%	100,400	
"	capital	PEGATRON Mexico, S.A. DE C.V.	An investee company accounted for under the equity method	long-term investments at equity	-	516,207	59.49%	516,207	
ASUSTEK INVESTMENT CO.,LTD.	Fund	Cathay Bond Fund	-	financial assets at fair value through income statement	20,308,453	242,790	-	242,790	
"	Stock	ENE Technology Inc.	-	financial assets in available-for-sale-noncurrent	1,105,851	80,727	1.48%	80,727	
"	Stock	Alcor Micro Corp.	-	financial assets in available-for-sale-noncurrent	2,349,879	165,431	1.46%	165,431	
"	Stock	TrendChip Technologies Corp.	-	financial assets in available-for-sale-noncurrent	581,831	80,293	1.61%	80,293	
"	Stock	STARLINK ELECTRONICS CORPOATION	An investee company accounted for under the equity method	long-term investments at equity	11,558,824	48,108	16.75%	48,108	
"	Stock	KINSUS INTERCONNECT TECHNOLOGY CORP.	An investee company accounted for under the equity method	long-term investments at equity	58,233,091	2,455,212	13.06%	4,984,753	
"	Stock	ASROCK Incorporation	An investee company accounted for under the equity method	long-term investments at equity	7,453,405	408,700	6.48%	1,173,911	
"	Stock	Lumens Digital Optics Inc.	(Note 1) An investee company accounted for under the equity method	long-term investments at equity	430,974	27,947	2.15%	27,947	
"	Stock	AzureWave Technologies, Inc.	An investee company accounted for under the equity method	long-term investments at equity	6,820,846	121,736	7.56%	121,736	
"	Stock	ASUSPOWER CORPORATION	An investee company accounted for under the equity method	long-term investments at equity	137,000,000	11,054,956	39.26%	11,054,956	
ASUS HOLLAND HOLDING B.V.	capital	PEGATRON Czech s.r.o.	An investee company accounted for under the equity method	long-term investments at equity	-	EUR 28,828,758	100.00%	EUR 28,828,758	
AMA PRECISION INC.	Stock	AMA Technology Corporation	An investee company accounted for under the equity method	long-term investments at equity	300,000	-	100.00%	(7,839)	

(Continued)

Marketable Securities					End of the Period				
Holding Company	Type	Name	Relationship with the Issuer of Securities	Financial Statement Account	Shares/Units	Carrying Amount	Percentage of ownership	Fair Value	Note
AMA Holdings Limited	Stock	AMA Holdings Limited	An investee company accounted for under the equity method	long-term investments at equity	5,131,948	57,061	100.00%	57,061	
AMA Holdings Limited	Stock	METAL TRADINGS LTD.	An investee company accounted for under the equity method	long-term investments at equity	2,107,000	USD 2,526,483	100.00%	USD 2,526,483	
AMA Holdings Limited	Stock	EXTECH LTD.	An investee company accounted for under the equity method	long-term investments at equity	1,908,000	USD 1,318,469	90.51%	USD 1,318,469	
AMA Holdings Limited	capital	Toptek Precision Industry(SuZhou) Co., Ltd	(Note 2) An investee company accounted for under the equity method	long-term investments at equity	-	USD -	100.00%	(USD 2,064,459)	
METAL TRADINGS LTD.	capital	FENGSHUO TRADING (TONGZHOU) CO. LTD	An investee company accounted for under the equity method	long-term investments at equity	-	USD 2,523,873	100.00%	USD 2,523,873	
EXTECH LTD.	capital	GRANDTECH PRECISION (TONGZHOU) CO. LTD	An investee company accounted for under the equity method	long-term investments at equity	-	USD 1,453,832	100.00%	USD 1,453,832	
STARLINK ELECTRONICS KINSUS INTERCONNECT	Stock	STRATEGY Technology Co., Ltd.	An investee company accounted for under the equity method	long-term investments at equity	1	3,860	100.00%	3,860	
	Fund	Capital Income Fund	-	financial assets at fair value through income statement	16,971,174	261,592	-	261,592	
	Fund	Polaris De-Li Fund	-	financial assets at fair value through income statement	15,962,352	248,934	-	248,934	
	Fund	JF (TW) First Bond	-	financial assets at fair value through income statement	4,948,848	71,946	-	71,946	
	Fund	Fuh-Hwa Yuli Bond Fund	-	financial assets at fair value through income statement	66,995,807	863,281	-	863,281	
	Fund	Fuh-Hwa Bond Fund	-	financial assets at fair value through income statement	7,250,843	100,173	-	100,173	
	Fund	Prudential Financial Bond Fund	-	financial assets at fair value through income statement	12,571,753	190,282	-	190,282	
	Fund	Yuanta Wan-Tai Fund	-	financial assets at fair value through income statement	48,495,532	701,712	-	701,712	
	Fund	Cathay Bond Fund	-	financial assets at fair value through income statement	1,676,418	20,042	-	20,042	
	Fund	ING Taiwan Bond Fund	-	financial assets at fair value through income statement	12,828,121	200,087	-	200,087	
	Fund	ING Taiwan Select Bond Fund	-	financial assets at fair value through income statement	16,202,357	190,045	-	190,045	
	Fund	Hua Nan Phoenix Bond Fund	-	financial assets at fair value through income statement	9,633,540	150,052	-	150,052	
	Fund	-	-	financial assets at fair value through income statement	-	-	-	-	
	Fund	Hua Nan Kirin Fund	-	financial assets at fair value through income statement	13,081,814	150,051	-	150,051	
	Fund	NITC Bond	-	financial assets at fair value through income statement	1,761,511	300,226	-	300,226	
	Stock	Kimmacsolar Co., Ltd. (Formerly named Lucky Power Technology Co., Ltd.)	The Company is institutional director of this company.	financial assets at cost - noncurrent	10,760,869	215,218	19.20%	215,218	
	Stock	KINSUS CORP. (USA)	An investee company accounted for under the equity method	long-term investments at equity	500,000	20,194	100.00%	20,194	
	Stock	KINSUS HOLDING (SAMOA) LIMITED	An investee company accounted for under the equity method	long-term investments at equity	50,000,000	1,654,362	100.00%	1,654,362	
	Stock	KINSUS INVESTMENT CO., LTD	An investee company accounted for under the equity method	long-term investments at equity	50,000,000	492,017	100.00%	492,017	
PEGAVISION CORPORATI	Fund	Fuh-Hwa Bond Fund	-	financial assets at fair value through income statement	6,612,073	100,078	-	100,078	
	Fund	-	-	financial assets at fair value through income statement	3,208,027	50,030	-	50,030	
	Fund	Polaris De-Li Fund	-	financial assets at fair value through income statement	-	-	-	-	
	Fund	Yuanta Wan-Tai Fund	-	financial assets at fair value through income statement	2,074,545	30,018	-	30,018	
	Stock	PEGAVISION CORPORATION	An investee company accounted for under the equity method	long-term investments at equity	20,400,000	195,898	56.67%	195,898	
KINSUS HOLDING (SAMOA) LIMITED	Stock	KINSUS HOLDING (CAYMAN) LIMITED	An investee company accounted for under the equity method	long-term investments at equity	50,000,000	USD 51,650,000	100.00%	USD 51,650,000	
KINSUS HOLDING (CAYMAN) LIMITED	capital	KINSUS INTERCONNECT TECHNOLOGY (SUZHOU) CORP.	An investee company accounted for under the equity method	long-term investments at equity	-	USD 51,650,000	100.00%	USD 51,650,000	
ASROCK Incorporation	convertible bonds	Convertible bond of ASUSTeK Computer Inc.	The parent company.	financial assets at fair value through income statement	393,000	41,894	-	41,894	
	convertible bonds	Convertible bond of HON HAI PRECISION IND. CO., LTD.	-	financial assets at fair value through income statement	4,903,000	498,145	-	498,145	
	Stock	ASIAROCK TECHNOLOGY LIMITED	An investee company accounted for under the equity method	long-term investments at equity	40,000,000	2,674,041	100.00%	2,679,837	
	Stock	Leader Insight Holdings Ltd.	An investee company accounted for under the equity method	long-term investments at equity	2,100,000	37,639	100.00%	37,639	
ASIAROCK TECHNOLOGY LIMITED	Stock	ASROCK EUROPE B.V.	An investee company accounted for under the equity method	long-term investments at equity	200,000	USD 5,507,108	100.00%	USD 5,507,108	
ASIAROCK TECHNOLOGY LIMITED	Stock	CalRock Holdings, LLC.	An investee company accounted for under the equity method	long-term investments at equity	2,000,000	USD 2,242,771	100.00%	USD 2,242,771	
Leader Insight Holdings	Stock	Firstplace International Ltd.	An investee company accounted for under the equity method	long-term investments at equity	2,050,000	USD 1,164,972	100.00%	USD 1,164,972	
Firstplace International	Stock	ASRock America, Inc.	An investee company accounted for under the equity method	long-term investments at equity	2,000,000	USD 1,125,459	100.00%	USD 1,125,459	
Lumens Digital Optics Inc.	Fund	Fuh-Hwa Bond Fund	-	financial assets at fair value through income statement	25,457,283	351,700	-	351,700	
	Fund	Yuanta Wan-Tai Fund	-	financial assets at fair value through income statement	6,911,089	100,001	-	100,001	
	Stock	Lumens Integration Inc.	An investee company accounted for under the equity method	long-term investments at equity	1,222,000	68,575	100.00%	68,575	
	capital	Lumens Digit Image Inc.	An investee company accounted for under the equity method	long-term investments at equity	-	15,306	100.00%	15,306	
	Stock	Lumens Europe BVBA	An investee company accounted for under the equity method	long-term investments at equity	20	2,949	100.00%	2,949	
	Stock	Jie Xin Inc.	An investee company accounted for under the equity method	long-term investments at equity	94,000	401	94.00%	401	
Jie Xin Inc.	Fund	Capital Income Fund	-	financial assets at fair value through income statement	25,237	389	-	389	
Lumens Digit Image Inc.	Stock	Lumens (Suzhou) Digital Image Inc.	An investee company accounted for under the equity method	long-term investments at equity	-	15,306	100.00%	15,306	
HUA-YUAN INVESTMENT LIMITED	Fund	ING Taiwan Bond Fund	-	financial assets at fair value through income statement	15,091,196	235,385	-	235,385	
	Fund	Cathay Bond Fund	-	financial assets at fair value through income statement	9,524,395	113,865	-	113,865	
	Fund	-	-	financial assets at fair value through income statement	2,965,797	46,252	-	46,252	
	Stock	Polaris De-Li Fund	-	financial assets at fair value through income statement	1,812,500	140,650	0.31%	140,650	
	Stock	CHICONY ELECTRONICS CO. LTD.	-	financial assets at fair value through income statement	275,525	9,533	0.01%	9,533	
	Stock	Asia Cement Corporation	-	financial assets at fair value through income statement	426,587	14,077	0.00%	14,077	
	Stock	China Steel Corporation	-	financial assets at fair value through income statement	426,587	14,077	0.00%	14,077	
	Stock	CHROMA ATE INC.	-	financial assets at fair value through income statement	190,359	13,839	0.05%	13,839	

(Continued)

Holding Company	Marketable Securities		Relationship with the Issuer of Securities	End of the Period					Note
	Type	Name		Financial Statement Account	Shares/Units	Carrying Amount	Percentage of ownership	Fair Value	
"	Stock	CHUNG HUNG STEEL CORPORATION	-	financial assets at fair value through income statement	700,377	11,836	0.04%	11,836	
"	Stock	Tripod Technology Corporation	-	financial assets at fair value through income statement	101,000	10,908	0.02%	10,908	
Unihan Holding Ltd.	Stock	CASETEK HOLDINGS LIMITED	An investee company accounted for under the equity method	long-term investments at equity	138,099,685	USD 235,506,638	100.00%	USD 235,506,638	
Unihan Holding Ltd.	Stock	Azurewave (Cayman) Holding Inc.	Ceased using the equity method effective October 2009	financial assets at cost - noncurrent	-	USD 58,341	46.00%	USD 58,341	
CASETEK HOLDINGS LIMITED	capital	CASETEK COMPUTER (SUZHOU) CO.,LTD	An investee company accounted for under the equity method	long-term investments at equity	-	USD 133,206,937	100.00%	USD 133,206,937	
CASETEK HOLDINGS LIMITED	Stock	WILSON HOLDINGS LIMITED	An investee company accounted for under the equity method	long-term investments at equity	4,000,000	USD 5,012,189	49.00%	USD 5,103,198	
CASETEK HOLDINGS LIMITED	Stock	INDEED HOLDINGS LIMITED	An investee company accounted for under the equity method	long-term investments at equity	19,600,000	USD 22,723,960	49.00%	USD 22,723,960	
CASETEK HOLDINGS LIMITED	Stock	SLITEK HOLDINGS LIMITED	An investee company accounted for under the equity method	long-term investments at equity	1,210,000	USD 1,330,236	100.00%	USD 1,330,236	
CASETEK HOLDINGS LIMITED	Stock	KAEDAR HOLDINGS LIMITED	An investee company accounted for under the equity method	long-term investments at equity	25,000,000	USD 31,824,145	100.00%	USD 31,824,145	
CASETEK HOLDINGS LIMITED	Stock	KAEDAR TRADING LTD.	An investee company accounted for under the equity method	long-term investments at equity	5,000,000	USD 11,647,602	100.00%	USD 11,647,602	
CASETEK HOLDINGS LIMITED	capital	CORE-TEK (SHANGHAI) LIMITED	An investee company accounted for under the equity method	long-term investments at equity	-	USD 11,090,891	100.00%	USD 11,090,891	
CASETEK HOLDINGS LIMITED	Stock	UNITED NEW LIMITED	An investee company accounted for under the equity method	long-term investments at equity	17,396,100	USD 13,868,937	51.00%	USD 13,629,253	
SLITEK HOLDINGS LIMITED	capital	ZhangJiaGang Dongbu High Technology Metal Products Co.,LTD	An investee company accounted for under the equity method	long-term investments at equity	-	USD 1,323,312	20.00%	USD 1,323,312	
KAEDAR HOLDINGS LIMITED	capital	KAEDAR ELECTRONICS (KUNSHAN) CO.,LTD	An investee company accounted for under the equity method	long-term investments at equity	-	USD 31,319,314	100.00%	USD 29,928,067	
UNITED NEW LIMITED	capital	AVY PRECISION ELECTROPLATING (SUZHOU) CO.,	An investee company accounted for under the equity method	long-term investments at equity	-	USD 25,971,898	100.00%	USD 25,971,898	
AzureWave Technologies, Inc.	Stock	EZWAVE TECHNOLOGIES, INC.	An investee company accounted for under the equity method	long-term investments at equity	500,000	-	100.00%	(14,988)	
"	Stock	YOFREE TECHNOLOGY CO., LTD.	An investee company accounted for under the equity method	long-term investments at equity	1,050,000	9,867	17.50%	9,867	
"	Stock	EZWAVE TECHNOLOGIES, INC.	(Note 3) An investee company accounted for under the equity method	long-term investments at equity	2,000,000	26,522	100.00%	26,522	
"	Stock	Azwave Holding (Samoa) Inc.	An investee company accounted for under the equity method	long-term investments at equity	12,000,000	384,570	100.00%	384,570	
"	Stock	Eminent Star Company Limited	An investee company accounted for under the equity method	long-term investments at equity	387,923	15,748	100.00%	15,748	
Azwave Holding (Samoa) Inc.	capital	AzureWave Technologies (Shanghai) Inc.	An investee company accounted for under the equity method	long-term investments at equity	-	USD 10,044,986	100.00%	USD 10,044,986	
Azwave Holding (Samoa) Inc.	capital	AzureLighting Technologies ,INC (Yangzhou)	An investee company accounted for under the equity method	long-term investments at equity	-	USD 1,976,581	100.00%	USD 1,976,581	
Eminent Star Company Limited	Stock	Jade Technologies Limited	An investee company accounted for under the equity method	long-term investments at equity	44,781	USD 98,630	100.00%	USD 98,630	
Eminent Star Company Limited	Stock	Hannex International Limited	An investee company accounted for under the equity method	long-term investments at equity	178,235	USD 143,089	100.00%	USD 143,089	
Eminent Star Company Limited	capital	Azurewave Technology (Shenzhen) Co., Ltd.	An investee company accounted for under the equity method	long-term investments at equity	-	USD 186,818	66.67%	USD 186,818	
Jade Technologies Limited	capital	Azurewave Technology (Shenzhen) Co., Ltd.	An investee company accounted for under the equity method	long-term investments at equity	-	USD 93,395	33.33%	USD 93,395	
Hannex International	capital	Scientek,Nanjing Co.,Ltd	An investee company accounted for under the equity method	long-term investments at equity	-	USD 142,754	100.00%	USD 142,754	
Ability Enterprise Co., Ltd.	GDR	GDR of ProMOS Technologies Inc.	-	financial assets at fair value through income statement	1,092,760	2,360	-	2,360	
"	GDR	GDR of CHUNGHWA PICTURE TUBES,LTD.	-	financial assets at fair value through income statement	1,459,475	5,998	-	5,998	
"	DR	DR of Yang Ming Marine Transport Corp.	-	financial assets at fair value through income statement	855,038	10,389	-	10,389	
"	Fund	-	-	financial assets at fair value through income statement	12,976,901	200,025	-	200,025	
"	Fund	Capital Income Fund	-	-	-	-	-	-	
"	Fund	Taishin Lucky Fund	-	financial assets at fair value through income statement	18,818,924	200,032	-	200,032	
"	Fund	-	-	financial assets at fair value through income statement	17,438,616	200,025	-	200,025	
"	Fund	Hua Nan Kirin Fund	-	financial assets at fair value through income statement	12,841,586	200,020	-	200,020	
"	Fund	Hua Nan Phoenix Bond Fund	-	financial assets at fair value through income statement	16,575,364	200,028	-	200,028	
"	Stock	TLAM Solomon Bond Fund	-	-	-	-	-	-	
"	Stock	GrandTech C.G. Systems Inc.	-	financial assets in available-for-sale-noncurrent	1,895,672	49,098	4.59%	49,098	
"	Stock	Li-Shih Investment Co.,Ltd.	-	financial assets at cost - noncurrent	515,908	1,559	2.27%	-	
"	Stock	TAIWAN OHARA OPTICAL CO., LTD.	The Company is institutional director of this company.	financial assets at cost - noncurrent	280,000	14,000	7.00%	-	
"	Stock	CC&C Technologies,Inc.	The Company is institutional director of this company.	financial assets at cost - noncurrent	280,125	2,989	0.82%	-	
"	Stock	VIVAVR TECHNOLOGY CO., LTD.	-	financial assets at cost - noncurrent	349,200	-	1.70%	-	
"	Stock	ADDTEK CORP.	-	financial assets at cost - noncurrent	360,000	-	1.10%	-	
"	Stock	Fei-Chung Computer Co.,Ltd.	-	financial assets at cost - noncurrent	2,089,700	-	2.09%	-	
"	capital	ABILITY ENTERPRISE (BVI) CO., LTD.	An investee company accounted for under the equity method	long-term investments at equity	-	2,944,820	100.00%	2,944,820	
"	capital	ACTION PIONEER INTERNATIONAL LTD.	An investee company accounted for under the equity method	long-term investments at equity	-	60,805	100.00%	60,805	
"	capital	VIEWQUEST TECHNOLOGIES INTERNATIONAL INC.	An investee company accounted for under the equity method	long-term investments at equity	-	388	100.00%	388	
"	capital	VIEWQUEST TECHNOLOGIES (BVI) INC.	An investee company accounted for under the equity method	long-term investments at equity	-	16,788	100.00%	16,788	
"	capital	ASSOCIATION INTERNATIONAL LTD.	An investee company accounted for under the equity method	long-term investments at equity	-	15,719	100.00%	15,719	

(Continued)

Marketable Securities			Relationship with the Issuer of Securities		End of the Period				Note
Holding Company	Type	Name	Financial Statement Account	Shares/Units	Carrying Amount	Percentage of ownership	Fair Value		
	Stock	Ability International Investment Co., Ltd.	An investee company accounted for under the equity method	long-term investments at equity	57,313,286	705,329	100.00%	705,329	
	Stock	Avy Precision Technology Inc.	An investee company accounted for under the equity method	long-term investments at equity	15,115,631	750,051	20.39%	3,106,262	
Ability International Investment Co., Ltd.	Fund	Fuh-Hwa Bond Fund	-	financial assets at fair value through income statement	6,612,494	91,354	-	91,354	
	Fund	-	-	financial assets at fair value through income statement	16,774,570	200,139	-	200,139	
	Stock	Mega Diamond Fund	-	financial assets in available-for-sale-current	1,112,989	28,826	2.70%	28,826	
	Stock	GrandTech C.G. Systems Inc.	-	financial assets in available-for-sale-noncurrent	501,462	48,241	0.02%	48,241	
	Stock	ACER INCORPORATED	-	financial assets at cost - noncurrent	773,634	14,068	1.22%	-	
	Stock	E-PIN OPTICAL INDUSTRY CO., LTD.	-	financial assets at cost - noncurrent	6,000,000	43,900	10.00%	-	
	Stock	INPAQ TECHNOLOGY CO., LTD.	-	financial assets at cost - noncurrent	10,000,000	88,000	8.33%	-	
	Stock	Minton Optic Industry Co., LTD.	-	financial assets at cost - noncurrent	4,513,000	-	7.16%	-	
	Stock	CC&C Technologies, Inc.	-	financial assets at cost - noncurrent	560,250	5,968	1.65%	-	
	Stock	FUPAO CHEMICAL Co. Ltd.	-	financial assets at cost - noncurrent	526	16,260	5.26%	-	
ABILITY ENTERPRISE (BVI) CO., LTD.	Bonds with Repurchase Agreements	Bonds with Repurchase Agreements of Yuanta Asset management	-	financial assets at fair value through income statement	-	USD 9,436,122	-	USD 9,436,122	
ABILITY ENTERPRISE (BVI) CO., LTD.	capital	EVER PINE INTERNATIONAL LTD. (BVI)	An investee company accounted for under the equity method	long-term investments at equity	-	USD 3,788,897	34.65%	USD 3,788,897	
ABILITY ENTERPRISE (BVI) CO., LTD.	capital	SHIN-EI YORKEY INTERNATIONAL LTD. (BVI)	An investee company accounted for under the equity method	long-term investments at equity	-	USD 888,391	50.00%	USD 888,391	
ABILITY ENTERPRISE (BVI) CO., LTD.	Stock	YORKEY OPTICAL INTERNATIONAL (CAYMAN) LTD.	-	long-term investments at equity	143,817,000	USD 29,493,230	17.37%	USD 29,493,230	
ABILITY ENTERPRISE (BVI) CO., LTD.	capital	Ability Technology (Dongguan) Co., Ltd	An investee company accounted for under the equity method	long-term investments at equity	-	USD 23,573,090	100.00%	USD 23,573,090	
ASSOCIATION INTERNATIONAL LTD.	capital	PENTAX VQ CO., LTD.	An investee company accounted for under the equity method	long-term investments at equity	-	USD 1,829,659	40.00%	USD 1,829,659	
Pegatron Holding Ltd.	Stock	BOARDTEK HOLDINGS LTD. (Cayman)	An investee company accounted for under the equity method	long-term investments at equity	100,000,000	USD 100,050,085	100.00%	USD 100,050,085	
BOARDTEK HOLDINGS LTD. (Cayman)	Stock	BOARDTEK HOLDINGS LIMITED	An investee company accounted for under the equity method	long-term investments at equity	52,085,790	USD 100,054,565	100.00%	USD 100,054,565	
Pegatron Holding Ltd.	Stock	MAGNIFICENT BRIGHTNESS LIMITED	(Note 5) An investee company accounted for under the equity method	long-term investments at equity	177,961,090	USD 382,320,348	100.00%	USD 382,320,348	
Pegatron Holding Ltd.	Stock	PROTEK GLOBAL HOLDINGS LTD.	An investee company accounted for under the equity method	long-term investments at equity	233,050,000	USD 319,977,543	100.00%	USD 319,977,543	
Pegatron Holding Ltd.	Stock	NORTH TEC ASIA LIMITED	An investee company accounted for under the equity method	long-term investments at equity	75,050,000	USD 84,825,742	100.00%	USD 84,825,742	
Pegatron Holding Ltd.	Stock	ASLINK PRECISION CO., LTD.	An investee company accounted for under the equity method	long-term investments at equity	19,093,263	USD 19,654,527	100.00%	USD 19,654,527	
Pegatron Holding Ltd.	Stock	DIGITEK GLOBAL HOLDINGS LIMITED	An investee company accounted for under the equity method	long-term investments at equity	50,000	USD 168,454	100.00%	USD 168,454	
Pegatron Holding Ltd.	Stock	COTEK HOLDINGS LIMITED	(Note 6) An investee company accounted for under the equity method	long-term investments at equity	12,260,000	-	100.00%	(USD 15,686,100)	
Pegatron Holding Ltd.	Stock	TOP QUARK LIMITED	An investee company accounted for under the equity method	long-term investments at equity	7,550,000	USD 9,988,995	100.00%	USD 9,988,995	
Pegatron Holding Ltd.	Stock	POWTEK HOLDINGS LIMITED	(Note 7) An investee company accounted for under the equity method	long-term investments at equity	8,050,000	USD 15,471,191	100.00%	USD 15,471,191	
BOARDTEK HOLDINGS LIMITED	capital	BOARDTEK COMPUTER (SUZHOU) CO., LTD	An investee company accounted for under the equity method	long-term investments at equity	-	USD 99,486,590	100.00%	USD 99,486,590	
BOARDTEK HOLDINGS LIMITED	Stock	BOARDTEK (H.K.) TRADING LIMITED	An investee company accounted for under the equity method	long-term investments at equity	200,000	USD 545,609	100.00%	USD 545,609	
MAGNIFICENT BRIGHTNESS LIMITED	capital	MAINTEK COMPUTER(SUZHOU)CO.,LTD	An investee company accounted for under the equity method	long-term investments at equity	-	USD 382,207,558	100.00%	USD 382,207,558	
PROTEK GLOBAL HOLDINGS LTD.	capital	Protek (ShangHai) Limited	An investee company accounted for under the equity method	long-term investments at equity	-	USD 319,948,222	75.65%	USD 319,948,222	
NORTH TEC ASIA LIMITED	capital	Protek (ShangHai) Limited	(Note 4) An investee company accounted for under the equity method	long-term investments at equity	-	USD 84,779,502	24.35%	USD 84,779,502	
COTEK HOLDINGS LIMITED	capital	COTEK ELECTRONICS(SUZHOU)CO.,LTD	An investee company accounted for under the equity method	long-term investments at equity	-	-	100.00%	(USD 15,691,444)	
TOP QUARK LIMITED	capital	RUNTOP (SHANGHAI) CO., LTD.	An investee company accounted for under the equity method	long-term investments at equity	-	USD 9,946,497	100.00%	USD 9,946,497	
POWTEK HOLDINGS LIMITED	capital	Powtek (Shanghai) Co., Ltd.	An investee company accounted for under the equity method	long-term investments at equity	-	USD 15,439,305	100.00%	USD 15,439,305	
ASLINK PRECISION CO., LTD.	Stock	ASLINK (H.K.) PRECISION CO., LIMITED	An investee company accounted for under the equity method	long-term investments at equity	4,785,010	USD 3,959,062	100.00%	USD 3,959,062	
ASLINK (H.K.) PRECISION CO.,	capital	LINKTEK PRECISION (SUZHOU) CO.,LIMITED	-	financial assets at fair value through income statement	-	USD 689,796	100.00%	USD 689,796	
ASLINK PRECISION CO., LTD.	Stock	ASAP INTERNATIONAL CO., LIMITED	An investee company accounted for under the equity method	long-term investments at equity	8,875,000	USD 10,412,215	59.17%	USD 10,412,215	
ASAP INTERNATIONAL CO., LIMITED	capital	ASAP TECHNOLOGY (JIANGXI) CO.,LIMITED	An investee company accounted for under the equity method	long-term investments at equity	-	USD 17,308,392	100.00%	USD 17,308,392	

Note 1: Recognition of investment income or loss for investee company, Lumens Digital Optics Inc. was modified to account for under the equity method.

Note 2: Due to the reorganization of oversea investment structure, the investor company with 100% ownership of the investee company was swapped from AMA Corporation to AMA Holdings Limited.

Note 3: Effective November 5, 2009, the investee was renamed as EZWAVE TECHNOLOGIES, INC.

Note 4: Due to the reorganization of oversea investment structure, NORTH TEC ASIA (SHANGHAI) LIMITED was merged with Protek (ShangHai) Limited as the dissolved entity after the merger. The merger was approved by Administration of Industry and Commerce, and in process of examination by Administration of State Taxation.

Note 5: Due to the reorganization of oversea investment structure, STRONG CHOICE GROUP LIMITED and WEST TEC ASIA LIMITED were merged by MAGNIFICENT BRIGHTNESS LIMITED and dissolved after the merger.

Note 6: Due to the reorganization of oversea investment structure, the investor company with 100% ownership of the investee company was swapped from STRATEGY Technology Co., Ltd. to Pegatron Holding Ltd..

Note 7: Due to the reorganization of oversea investment structure, the investor company with 100% ownership of the investee company was swapped from ASUSTEK Holdings Limited to Pegatron Holding Ltd..

Note 8: Transactions in relation to consolidated entities illustrated on the table above were eliminated in consolidated financial statements.

Note 9: See a detail of maximum shares held during the year at Table 1 attached.

(English Translation of Financial Report Originally Issued in Chinese)
PEGATRON CORPORATION AND ITS SUBSIDIARIES
 Accumulated buyings/sales of the same marketable securities for which the dollar amount reaches \$100 million or 20% or more of paid-in capital
 For the year ended December 31, 2009
 (Expressed in thousands of New Taiwan dollars, unless specified otherwise)

Holding Company	Marketable Securities		Financial Statement Account	Counter-party	Relationship with the Holding Company	Beginning Balance		Acquisition			Disposal			Ending Balance	
	Type	Name				Shares/Units	Amount	Shares/Units	Amount	Shares/Units	Amount	Carrying Amount	Gain (Loss) on Disposal	Shares/Units	Amount
UNIHAN CORPORATION	Fund	ING Taiwan Bond Fund	Financial assets at fair value through income statement	-	-	-	-	104,213,934	1,624,000 (Note 1)	104,213,934	1,624,724	1,624,000 (Note 2)	724	-	-
UNIHAN CORPORATION	Fund	Canital Income Fund	Financial assets at fair value through income statement	-	-	-	-	124,983,788	1,925,000 (Note 1)	124,983,788	1,925,755	1,925,000 (Note 2)	755	-	-
UNIHAN CORPORATION	Fund	Prudential Financial Bond Fund	Financial assets at fair value through income statement	-	-	-	-	19,526,629	295,000 (Note 1)	19,526,629	295,414	295,000 (Note 2)	414	-	-
UNIHAN CORPORATION	Fund	Polaris De-Li Fund	Financial assets at fair value through income statement	-	-	-	-	30,058,209	468,000 (Note 1)	30,058,209	468,441	468,000 (Note 2)	441	-	-
UNIHAN CORPORATION	Fund	ING Taiwan Income Fund	Financial assets at fair value through income statement	-	-	3,713,284	60,728	9,166,763	150,000 (Note 1)	12,880,047	210,837	210,660 (Note 2) 68 (Note 3)	177	-	-
UNIHAN CORPORATION	Fund	JF (Taiwan) Bond Fund	Financial assets at fair value through income statement	-	-	2,092,395	32,949	41,534,954	655,000 (Note 1)	43,627,349	688,323	687,907 (Note 2) 42 (Note 3)	416	-	-
UNIHAN CORPORATION	Fund	Cathay Bond Fund	Financial assets at fair value through income statement	-	-	1,042,692	12,398	17,592,806	210,000 (Note 1)	18,635,498	222,679	222,371 (Note 2) 27 (Note 3)	308	-	-
UNIHAN CORPORATION	Fund	FUBON CHI-HSIANG FUND	Financial assets at fair value through income statement	-	-	-	-	13,332,978	200,000 (Note 1)	13,332,978	200,063	200,000 (Note 2)	63	-	-
UNIHAN CORPORATION	Stock	Unihan Holding Ltd.	long-term investments at equity	-	-	158,480,341	6,238,384	53,119,685	1,769,272 (Note 10) 352,534 (Note 4) 18,740 (Note 18)	-	-	223,096 (Note 5)	-	211,600,026	8,155,834
UNIHAN CORPORATION	Stock	AzureWave Technologies, Inc.	long-term investments at equity	Azurewave (Cayman) Holding Inc.	An investee company accounted for under the equity method	-	-	25,000,000 7,500,000	525,750 (Note 1) - (Note 7) 7,902 (Note 21) 49,488 (Note 4) 411 (Note 18)	-	-	3,857 (Note 5)	-	32,500,000	579,694
ASUSPOWER INVESTMENT	Fund	Cathay Bond Fund	Financial assets at fair value through income statement	-	-	32,129,484	382,029	1,187,691	14,190 (Note 1)	32,129,484	382,835	381,000 (Note 2) 1,020 (Note 3)	1,835	1,187,691	14,199
ASUSPOWER INVESTMENT	Fund	Yuanta Wan-Tai Fund	Financial assets at fair value through income statement	-	-	4,025,785	58,087	14,617,168	211,200 (Note 1)	17,513,188	253,200	252,860 (Note 2) 80 (Note 3)	340	1,129,765	16,347
ASUSPOWER INVESTMENT	Fund	JF (Taiwan) Bond Fund	Financial assets at fair value through income statement	-	-	-	-	17,205,671	271,400 (Note 1) 40 (Note 3)	13,815,131	218,000	217,918 (Note 2)	82	3,390,540	53,522
ASUSPOWER INVESTMENT	Stock	Lumens Digital Optics Inc.	long-term investments at equity	-	-	2,753,400	65,479	9,590,818	457,482 (Note 10) 163,954 (Note 4) 24,999 (Note 6) 1,519 (Note 18)	2,087,986	-	20,879 (Note 14) 26,398 (Note 8) 897 (Note 5)	-	10,256,232	665,059
ASUSPOWER INVESTMENT	Stock	PEGAVISION CORPORATION	long-term investments at equity	-	-	-	-	10,000,000	100,000 (Note 1)	-	-	3,971 (Note 4)	-	10,000,000	96,029
ASUS INVESTMENT CO.,LTD.	Fund	Yuanta Wan-Tai Fund	Financial assets at fair value through income statement	-	-	-	-	41,732,723	603,500 (Note 1) 57 (Note 3)	34,363,786	497,000	496,931 (Note 2)	69	7,368,937	106,626
ASUSTEK INVESTMENT CO	Fund	Polaris De-Li Fund	Financial assets at fair value through income statement	-	-	-	-	8,982,910	140,000 (Note 1)	8,982,910	140,032	140,000 (Note 2)	32	-	-
ASUSTEK INVESTMENT CO	Fund	Cathay Bond Fund	Financial assets at fair value through income statement	-	-	29,266,191	347,984	-	862 (Note 3)	8,957,738	107,000	106,056 (Note 2)	944	20,308,453	242,790
ASUSTEK INVESTMENT CO	Stock	AzureWave Technologies, Inc.	long-term investments at equity	Azurewave (Cayman) Holding Inc.	An investee company accounted for under the equity method	-	-	5,246,805 1,574,041	110,340 (Note 1) - (Note 7) 10,393 (Note 4)	-	-	774 (Note 5)	-	6,820,846	121,736

(Continued)

Holding Company	Marketable Securities		Financial Statement Account	Counter-party	Relationship with the Holding Company	Beginning Balance		Acquisition		Disposal				Ending Balance	
	Type	Name				Shares/Units	Amount	Shares/Units	Amount	Shares/Units	Amount	Carrying Amount	Gain (Loss) on Disposal	Shares/Units	Amount
KINSUS INTERCONNECT TE	Fund	Canital Income Fund	Financial assets at fair value through income statement	-	-	16,971,595	260,935	6,487,861	100,000 (Note 1)	6,488,282	100,000	96,610 (Note 2) 2,733 (Note 3)	3,390	16,971,174	261,592
KINSUS INTERCONNECT TE	Fund	Polaris De Li Fund	Financial assets at fair value through income statement	-	-	19,493,833	303,297	6,093,571	95,000 (Note 1)	9,625,052	150,000	148,329 (Note 2) 1,034 (Note 3)	1,671	15,962,352	248,934
KINSUS INTERCONNECT TE	Fund	Polaris De-Bao Fund	Financial assets at fair value through income statement	-	-	27,112,387	310,502	17,456,882	200,000 (Note 1)	44,569,269	511,285	503,949 (Note 2) 6,353 (Note 3)	7,336	-	-
KINSUS INTERCONNECT TE	Fund	JF(Taiwan) First Bond Fund	Financial assets at fair value through income statement	-	-	13,885,275	201,364	11,701,610	170,000 (Note 1)	20,638,037	300,000	298,437 (Note 2) 981 (Note 3)	1,563	4,948,848	71,946
KINSUS INTERCONNECT TE	Fund	JF (Taiwan) Bond Fund	Financial assets at fair value through income statement	-	-	-	-	21,559,108	340,000 (Note 1)	21,559,108	340,121	340,000 (Note 2)	121	-	-
KINSUS INTERCONNECT TE	Fund	Fuh-Hwa Yuli Bond Fund	Financial assets at fair value through income statement	-	-	7,982,630	102,388	59,013,177	760,000 (Note 1) 893 (Note 3)	-	-	-	-	66,995,807	863,281
KINSUS INTERCONNECT TE	Fund	Fuh-Hwa Bond Fund	Financial assets at fair value through income statement	-	-	-	-	7,250,843	100,000 (Note 1) 173 (Note 3)	-	-	-	-	7,250,843	100,173
KINSUS INTERCONNECT TE	Fund	Prudential Financial Bond Fund	Financial assets at fair value through income statement	-	-	-	-	12,571,753	190,000 (Note 1) 282 (Note 3)	-	-	-	-	12,571,753	190,282
KINSUS INTERCONNECT TE	Fund	Yuanta Wan-Tai Fund	Financial assets at fair value through income statement	-	-	27,752,921	400,441	20,742,611	300,000 (Note 1) 1,271 (Note 3)	-	-	-	-	48,495,532	701,712
KINSUS INTERCONNECT TE	Fund	ING Taiwan Bond Fund	Financial assets at fair value through income statement	-	-	-	-	12,828,121	200,000 (Note 1) 87 (Note 3)	-	-	-	-	12,828,121	200,087
KINSUS INTERCONNECT TE	Fund	ING Taiwan Select Bond Fund	Financial assets at fair value through income statement	-	-	-	-	16,202,357	190,000 (Note 1) 45 (Note 3)	-	-	-	-	16,202,357	190,045
KINSUS INTERCONNECT TE	Fund	Hua Nan Phoenix Bond Fund	Financial assets at fair value through income statement	-	-	-	-	9,633,540	150,000 (Note 1) 52 (Note 3)	-	-	-	-	9,633,540	150,052
KINSUS INTERCONNECT TE	Fund	Hua Nan Kirin Fund	Financial assets at fair value through income statement	-	-	-	-	13,081,814	150,000 (Note 1) 51 (Note 3)	-	-	-	-	13,081,814	150,051
KINSUS INTERCONNECT TE	Fund	NITC Bond	Financial assets at fair value through income statement	-	-	-	-	1,761,511	300,000 (Note 1) 226 (Note 3)	-	-	-	-	1,761,511	300,226
KINSUS INTERCONNECT TE	Stock	KINSUS INVESTMENT CO.,LTD	long-term investments at equity	-	-	-	-	50,000,000	500,000 (Note 1)	-	-	7,983 (Note 4)	-	50,000,000	492,017
KINSUS INTERCONNECT TE	Stock	KINSUS HOLDING (SAMOA) LIM	long-term investments at equity	-	-	15,000,000	562,054	35,000,000	1,174,705 (Note 1)	-	-	15,744 (Note 4) 66,653 (Note 5)	-	50,000,000	1,654,362
KINSUS INVESTMENT CO.,1	Fund	Prudential Financial Bond Fund	Financial assets at fair value through income statement	-	-	-	-	6,612,073	100,000 (Note 1) 78 (Note 3)	-	-	-	-	6,612,073	100,078
KINSUS INVESTMENT CO.,1	Stock	PEGAVISION CORPORATION	long-term investments at equity	-	-	-	-	20,400,000	204,000 (Note 1)	-	-	8,102 (Note 4)	-	20,400,000	195,898
KINSUS HOLDING (SAMOA) LIMITED	Stock	KINSUS HOLDING (CAYMAN)	long-term investments at equity	-	-	15,000,000	USD 17,104,000	35,000,000	USD 35,000,000 (Note 1) USD 22,000 (Note 5)	-	-	USD 476,000 (Note 4)	-	50,000,000	USD 51,650,000
KINSUS HOLDING LIMITED	capital	KINSUS INTERCONNECT TE CHE	long-term investments at equity	-	-	-	USD 17,104,000	-	USD 35,000,000 (Note 1) USD 22,000 (Note 5)	-	-	USD 476,000 (Note 4)	-	-	USD 51,650,000
ASROCK Incorporation	convertible bonds	Convertible bond of ASUSTeK Computer Inc.	Financial assets at fair value through income statement	-	-	2,373,000	232,673	-	39 (Note 3)	1,980,000	196,104	190,818 (Note 2)	5,286	393,000	41,894

(Continued)

Holding Company	Marketable Securities		Financial Statement Account	Counter-party	Relationship with the Holding Company	Beginning Balance		Acquisition		Disposal				Ending Balance	
	Type	Name				Shares/Units	Amount	Shares/Units	Amount	Shares/Units	Amount	Carrying Amount	Gain (Loss) on Disposal	Shares/Units	Amount
ASROCK Incorporation	convertible bonds	Convertible bond of HON HAI PRECISION IND. CO., LTD.	Financial assets at fair value through income statement	-	-	3,775,000	367,490	1,130,000	110,941 (Note 1)	-	-	-	-	4,905,000	498,145
									19,714 (Note 3)						
Lumens Digital Optics Inc.	Fund	Fuh-Hwa Bond Fund	Financial assets at fair value through income statement	-	-	41,605,330	572,849	168,678,980	2,326,791 (Note 1)	184,827,027	2,550,456	2,547,940 (Note 2)	2,516	25,457,283	351,700
Lumens Digital Optics Inc.	Fund	Yuanta Wan-Tai Fund	Financial assets at fair value through income statement	-	-	6,933,370	100,000	13,830,451	200,000 (Note 1)	13,852,732	200,322	200,000 (Note 2)	322	6,911,089	100,001
									1 (Note 3)						
Lumens Digital Optics Inc.	Fund	ING Taiwan Bond Fund	Financial assets at fair value through income statement	-	-	-	-	14,953,121	200,045 (Note 1)	14,953,121	200,106	200,045 (Note 2)	61	-	-
STARLINK ELECTRONICS	Stock	STRATEGY Technology Co., Ltd.	long-term investments at equity	STRATEGY Technology Co., Ltd.	Subsidiary	4,000,001	(239,337)	-	444,934 (Note 12)	4,000,000	131,520	131,520 (Note 2)	-	1	3,860
									50,538 (Note 5)			95,980 (Note 8)			
STRATEGY Technology Co., Ltd.	Stock	COTEK HOLDINGS LIMITED	long-term investments at equity	Pegatron Holding Ltd.	An investee company of the ultimate parent	12,260,000	(USD 14,363,760)	-	USD 1,981,267 (Note 5)	12,260,000	USD 1	(USD 13,121,019) (Note 2)	-	-	-
											USD 738,526 (Note 4)				
STRATEGY Technology Co., Ltd.	Stock	STRATEGY Technology Co., Ltd.	Treasury stock	STARLINK ELECTRONICS	Parent	-	-	4,000,000	USD 4,000,000 (Note 1)	4,000,000	-	USD 4,000,000 (Note 21)	-	-	-
HUA-YUAN INVESTMENT LIMITED	Fund	ING Taiwan Select Bond Fund	Financial assets at fair value through income statement	-	-	14,326,711	167,568	-	-	14,326,711	167,835	164,862 (Note 2)	2,973	-	-
												2,706 (Note 3)			
HUA-YUAN INVESTMENT LIMITED	Fund	ING Taiwan Bond Fund	Financial assets at fair value through income statement	-	-	-	-	15,091,196	235,135 (Note 1)	-	-	-	-	15,091,196	235,385
									250 (Note 3)						
Usihua Holding Ltd.	Stock	CASETEK HOLDINGS	long-term investments at equity	-	-	84,980,000	USD 172,722,206	53,119,685	USD 53,119,685 (Note 10)	-	-	-	-	138,099,685	USD 235,506,638
									USD 9,219,145 (Note 4)						
									USD 266,896 (Note 5)						
									USD 178,706 (Note 18)						
CASETEK HOLDINGS LIMITED	capital	CASETEK COMPUTER (SUZHOU) CO.,LTD	long-term investments at equity	-	-	-	USD 113,394,187	-	USD 24,000,000 (Note 10)	-	-	USD 4,325,951 (Note 4)	-	-	USD 133,206,937
									USD 138,701 (Note 5)						
CASETEK HOLDINGS LIMITED	Stock	INDEED HOLDINGS LIMITED	long-term investments at equity	-	-	14,700,000	USD 14,389,364	4,900,000	USD 4,900,000 (Note 10)	-	-	USD 5,052 (Note 5)	-	19,600,000	USD 22,723,960
									USD 3,439,648 (Note 4)						
CASETEK HOLDINGS LIMITED	capital	CORE-TEK (SHANGHAI) LIMITED	long-term investments at equity	-	-	-	USD 2,998,689	-	USD 9,000,000 (Note 10)	-	-	USD 918,614 (Note 4)	-	-	USD 11,090,891
									USD 10,816 (Note 5)						
CASETEK HOLDINGS LIMITED	capital	UNITED NEW LIMITED	long-term investments at equity	AUSTEK HOLDING LIMITED	Associate	-	-	17,396,100	USD 15,219,685 (Note 1)	-	-	USD 1,621,207 (Note 4)	-	17,396,100	USD 13,868,937
									USD 91,753 (Note 5)						
									USD 178,706 (Note 12)						
AzureWave Technologies, Inc.	Stock	Azwave Holding (Samoa) Inc.	long-term investments at equity	-	-	2,000,000	62,320	10,000,000	335,740 (Note 10)	-	-	17,013 (Note 5)	-	12,000,000	384,570
									3,523 (Note 4)						
Azwave Holding (Samoa) Inc.	capital	AzureWave Technologies (Shanghai) Inc.	long-term investments at equity	-	-	-	USD 1,899,992	-	USD 8,000,000 (Note 10)	-	-	-	-	-	USD 10,044,986
									USD 131,787 (Note 4)						
									USD 13,207 (Note 5)						
Ability Enterprise Co., Ltd.	Fund	Taishin Lucky Fund	Financial assets at fair value through income statement	-	-	-	-	270,835,084	2,875,032 (Note 1)	252,016,160	2,675,631	2,675,000 (Note 2)	631	18,818,924	200,032
Ability Enterprise Co., Ltd.	Fund	Shinkome Chi-Shin Fund	Financial assets at fair value through income statement	-	-	-	-	33,821,354	500,000 (Note 1)	33,821,354	500,099	500,000 (Note 2)	99	-	-
Ability Enterprise Co., Ltd.	Fund	ShinKome High Yield Fund	Financial assets at fair value through income statement	-	-	-	-	36,698,982	630,000 (Note 1)	36,698,982	630,128	630,000 (Note 2)	128	-	-
Ability Enterprise Co., Ltd.	Fund	Jih Sun Bond Fund	Financial assets at fair value through income statement	-	-	-	-	31,997,700	450,000 (Note 1)	31,997,700	450,230	450,000 (Note 2)	230	-	-

(Continued)

Holding Company	Marketable Securities			Relationship with the Holding Company	Beginning Balance		Acquisition		Disposal				Ending Balance		
	Type	Name	Financial Statement Account		Counter-party	Shares/Units	Amount	Shares/Units	Amount	Shares/Units	Amount	Carrying Amount	Gain (Loss) on Disposal	Shares/Units	Amount
Ability Enterprise Co., Ltd.	Fund	Cantile Income Fund	Financial assets at fair value through income statement	-	-	129,863,612	-	2,000,025 (Note 1)	116,886,711	1,800,354	1,800,000 (Note 2)	354	-	12,976,901	200,025
Ability Enterprise Co., Ltd.	Fund	Fuh-Hwa Bond Fund	Financial assets at fair value through income statement	-	-	125,354,668	-	1,730,000 (Note 1)	125,354,668	1,730,244	1,730,000 (Note 2)	244	-	-	-
Ability Enterprise Co., Ltd.	Fund	PCA WELL POOL FUND	Financial assets at fair value through income statement	-	-	61,656,148	-	800,000 (Note 1)	61,656,148	800,051	800,000 (Note 2)	51	-	-	-
Ability Enterprise Co., Ltd.	Fund	Hua Nan Phoenix Bond Fund	Financial assets at fair value through income statement	-	-	64,231,859	-	1,000,020 (Note 1)	51,390,273	800,103	800,000 (Note 2)	103	12,841,586	200,020	-
Ability Enterprise Co., Ltd.	Fund	Hua Nan Kirin Fund	Financial assets at fair value through income statement	-	-	103,813,424	-	1,190,025 (Note 1)	86,374,808	990,136	990,000 (Note 2)	136	17,438,616	200,025	-
Ability Enterprise Co., Ltd.	Fund	Meza Diamond Fund	Financial assets at fair value through income statement	-	-	89,841,135	-	1,070,000 (Note 1)	89,841,135	1,070,311	1,070,000 (Note 2)	311	-	-	-
Ability Enterprise Co., Ltd.	Fund	KGI Victory Fund	Financial assets at fair value through income statement	-	-	29,790,092	-	330,000 (Note 1)	29,790,092	330,055	330,000 (Note 2)	55	-	-	-
Ability Enterprise Co., Ltd.	Fund	FUBON CHI-HSIANG FUND	Financial assets at fair value through income statement	-	-	38,662,401	-	580,000 (Note 1)	38,662,401	580,046	580,000 (Note 2)	46	-	-	-
Ability Enterprise Co., Ltd.	Fund	TLAM Solomon Bond Fund	Financial assets at fair value through income statement	-	-	16,575,364	-	200,028 (Note 1)	-	-	-	-	-	16,575,364	200,028
Ability Enterprise Co., Ltd.	Stock	Avy Precision Technology Inc.	long-term investments at equity	Avy Co., Ltd.	An indirect investee company accounted	11,260,177	302,946	2,500,000 (Note 7) 1,373,454	178,067 (Note 1) 132,919 (Note 4) 159,982 (Note 18) 115 (Note 19)	18,000	3,123	758 (Note 2) 9,485 (Note 5) 13,735 (Note 8)	2,365	15,115,631	750,051
Ability Enterprise Co., Ltd.	Stock	ASHNE PRECISION CO., LTD.	long-term investments at equity	Avy Precision Technology Inc.	An investee company accounted for under the equity method	10,000,000	141,989	-	1,841 (Note 4)	10,000,000	177,466	143,812 (Note 2) 18 (Note 5)	33,654	-	-
Ability International Investment	Stock	Avy Precision Technology Inc.	long-term investments at equity	-	-	1,125,589	56,397	3 (Note 7) 91,408	1 (Note 1) 5,411 (Note 4) 53 (Note 19)	1,217,000	241,902	57,344 (Note 2) 914 (Note 8) 2,340 (Note 5) 1,264 (Note 18)	184,558	-	-
ABILITY ENTERPRISE (BVI)	Stock	YORKEY OPTICAL (CAYMAN) LTD.	financial assets in available-for-sale-current	-	-	171,260,000	USD 35,646,683	-	USD 1,493,664 (Note 4) USD 1,338,274 (Note 5)	27,443,000	USD 6,765,543	USD 4,893,611 (Note 2) USD 428,276 (Note 18) USD 183,868 (Note 5) USD 3,469,636 (Note 8)	USD 1,871,932	143,817,000	USD 29,493,230
Pegatron Holding Ltd.	Stock	COTEK HOLDINGS LIMITED	long-term investments at equity	STRATEGY Technology Co., Ltd.	An investee company of the ultimate parent	-	-	12,260,000	USD 1 (Note 1) USD 15,686,100 (Note 9)	-	-	USD 13,121,020 (Note 12) USD 569,731 (Note 4) USD 1,995,350 (Note 5)	-	12,260,000	-
Pegatron Holding Ltd.	Stock	NORTH TEC ASIA LIMITED	long-term investments at equity	-	-	35,050,000	USD 53,133,820	40,000,000	USD 40,000,000 (Note 1) USD 103,224 (Note 5)	-	-	USD 8,411,302 (Note 4)	-	75,050,000	USD 84,825,742
Pegatron Holding Ltd.	Stock	TOP QUARK LIMITED	long-term investments at equity	-	-	-	-	7,550,000	USD 8,594,482 (Note 1) USD 691,605 (Note 4) USD 1,462 (Note 5) USD 701,446 (Note 22)	-	-	-	-	7,550,000	USD 9,988,995
Pegatron Holding Ltd.	Stock	POWTEK HOLDINGS LIMITED	long-term investments at equity	ASUSTEK HOLDINGS LIMITED	An investee company of the ultimate parent	-	-	8,050,000	USD 13,145,510 (Note 1) USD 638,209 (Note 12) USD 27,722 (Note 4) USD 1,659,750 (Note 5)	-	-	-	-	8,050,000	USD 15,471,191
NORTH TEC ASIA	capital	NORTH TEC ASIA	long-term investments at equity	Protek (ShangHai) Limited	An investee company of the ultimate parent	-	USD 53,084,705	-	USD 40,000,000 (Note 1) USD 103,224 (Note 5)	-	-	USD 8,408,427 (Note 4) USD 84,779,502 (Note 16)	-	-	-
NORTH TEC ASIA	capital	Protek (ShangHai) Limited	long-term investments at equity	NORTH TEC ASIA (SHANGHAI) LIMITED	An investee company of the ultimate parent	-	-	-	84,779,502 (Note 16)	-	-	-	-	-	USD 84,779,502
Pegatron Holding Ltd.	Stock	MAGNIFICENT BRIGHTNESS LIMITED	long-term investments at equity	STRONG CHOICE GROUP LIMITED WEST TEC ASIA LIMITED	An investee company of the ultimate parent	129,011,090	USD 282,992,233	34,000,000	USD 34,000,000 (Note 1) USD 33,991,322 (Note 4) USD 272,086 (Note 5) USD 34,864,707 (Note 16)	-	-	USD 3,800,000 (Note 8)	-	177,961,090	USD 382,320,348
Pegatron Holding Ltd.	Stock	STRONG CHOICE GROUP	long-term investments at equity	MAGNIFICENT BRIGHTNESS LIMITED	An investee company of the ultimate parent	12,110,000	USD 26,415,116	-	USD 1,824,807 (Note 4) USD 25,981 (Note 5)	12,110,000	-	USD 28,265,904 (Note 16)	-	-	-
Pegatron Holding Ltd.	Stock	WEST TEC ASIA LIMITED	long-term investments at equity	MAGNIFICENT BRIGHTNESS LIMITED	An investee company of the ultimate parent	2,840,000	USD 6,169,417	-	USD 423,336 (Note 4) USD 6,050 (Note 5)	2,840,000	-	USD 6,598,803 (Note 16)	-	-	-
MAGNIFICENT BRIGHTNESS LIMITED	capital	MAINTEK COMPUTERS(UZHOU)/CO.LT	long-term investments at equity	STRONG CHOICE GROUP LIMITED WEST TEC ASIA LIMITED	An investee company of the ultimate parent	-	USD 279,145,024	-	USD 34,000,000 (Note 1) USD 34,001,882 (Note 4) USD 272,085 (Note 5) USD 34,788,567 (Note 16)	-	-	-	-	-	USD 382,207,558
STRONG CHOICE GROUP LIMITED	capital	MAINTEK COMPUTERS(UZHOU)/CO.LT	long-term investments at equity	MAGNIFICENT BRIGHTNESS LIMITED	An investee company of the ultimate parent	-	USD 26,365,601	-	USD 1,826,181 (Note 4) USD 25,982 (Note 5)	-	-	USD 28,217,764 (Note 16)	-	-	-

(Continued)

Holding Company	Marketable Securities		Financial Statement Account	Counter-party	Relationship with the Holding Company	Beginning Balance		Acquisition		Disposal		Ending Balance			
	Type	Name				Shares/Units	Amount	Shares/Units	Amount	Shares/Units	Amount	Carrying Amount	Gain (Loss) on Disposal	Shares/Units	Amount
WEST TEC ASIA LIMITED	capital	MAINTEK COMPUTER(SUZHOU)CO.LT	long-term investments at equity	MAGNIFICENT BRIGHTNESS LIMITED	An investee company of the ultimate parent	-	USD 6,139,508	-	USD 425,245 (Note 4) USD 6,050 (Note 5)	-	-	USD 6,570,803 (Note 16)	-	-	-
Pegatron Holding Ltd.	Stock	BOARDTEK HOLDING	long-term investments at equity	BOARDTEK HOLDINGS LTD. (Cayman)	An investee company of the ultimate parent	52,060,000	USD 91,078,273	25,790	USD 25,790 (Note 1) USD 8,857,773 (Note 4)	52,085,790	USD 100,297,260	USD 87,815,301 (Note 2) USD 12,146,535 (Note 5)	- (Note 12)	-	-
Pegatron Holding Ltd.	Stock	BOARDTEK HOLDINGS LTD. (Cayman)	long-term investments at equity	-	-	-	USD -	100,000,000	USD 100,297,260 (Note 17) USD 12,239,264 (Note 5)	-	-	USD 12,481,959 (Note 18) USD 4,480 (Note 4)	-	100,000,000	USD 100,050,085
BOARDTEK HOLDINGS LTD. (Cayman)	Stock	BOARDTEK HOLDINGS LIMITED	long-term investments at equity	-	-	-	USD -	52,085,790	USD 100,297,260 (Note 1) USD 12,239,264 (Note 5)	-	-	USD 12,481,959 (Note 12)	-	52,085,790	USD 100,054,565

Note 1: Acquisition during the current period.

Note 2: Disposal during the current period.

Note 3: In accordance to regulations of SFAS No. 34 "Financial Instruments", financial instruments were measured at fair value with change in fair value recognized in profit or loss.

Note 4: In accordance to regulations of SFAS No. 5 "Long-term Investments under Equity Method", relevant investment gain or loss was recognized under the equity method based on the investee company's financial statements.

Note 5: In accordance to the regulation of SFAS No. 5 "Long-term Investments under Equity Method", relevant cumulative translation adjustment was recognized under equity method based on the investee company's financial statements.

Note 6: In accordance to the regulation of SFAS No. 5 "Long-term Investments under Equity Method", the change in the carrying value of long-term equity investment as a result of the change in percentage of equity ownership due to disproportionate subscription to additional shares issued by the investee company is charged against capital surplus.

Note 7: In accordance to the regulation of SFAS No. 5 "Long-term Investments under Equity Method", the shares/units acquired include stock dividends distributed by investee companies.

Note 8: In accordance to the regulation of SFAS No. 5 "Long-term Investments under Equity Method", cash dividends distributed by investee Company is recognized as reduction of carrying amount for long-term investments under the equity method.

Note 9: Reclassification of deferred credit from long-term investments.

Note 10: Capital increase in cash during the current period.

Note 11: In accordance to the regulation of SFAS No. 5 "Long-term Investments under Equity Method", the investor company calculates its share when the investment is sold when there is additional paid-in capital or other equity adjustment items from the long-term equity investment, so that

the pro-rata gains or losses from the disposal of the long-term investment is accounted for.

Note 12: In accordance to the regulation of Interpretation (05)081 issued by Accounting Research and Development Foundation, in terms of the group reorganization, if the investor company acquires net assets from affiliates at a price higher than its book value, then the excess shall be adjusted against additional paid-in capital generated from premium of capital increase.

Note 13: In accordance to the regulation of Interpretation (01)128 issued by Accounting Research and Development Foundation, the carrying amount includes spin-off assets acquired from the parent company.

Note 14: Capital reduction during the current period.

Note 15: In accordance to the regulation of SFAS No. 5 "Long-term Investments under Equity Method", the investor company shall adjust its retained earnings when its outstanding shares are bought back by this investee company, resulting in a change on shareholders' equity of the investee company accounted for under the equity method.

Note 16: The entity was dissolved due to the merge at the current period.

Note 17: The investor company issued additional capitals in exchange with the investee company's outstanding shares.

Note 18: In accordance to the regulation of SFAS No. 5 "Long-term Investments under Equity Method", the investor company adjusts to the long-term investment account under the equity method in accordance with its stock ownership percentage when there are increases

or decreases in the equity of the investee company.

Note 19: In accordance to the regulation of SFAS No. 5 "Long-term Investments under Equity Method", the investor company adjusts to the long-term investment account under the equity method for the investee company's pension adjustments under shareholders' equity.

Note 20: Impairment loss.

Note 21: Share cancellation.

Note 22: In accordance to the regulation of SFAS No. 5 "Long-term Investments under Equity Method", if the fair value of identifiable net asset exceeds the investment cost, the excess should be reduced the carrying amount of non-current assets and then recognized as extraordinary gain.

Note 23: Payment for security trading tax.

Note 24: The information on the table above was not been adjusted under preparation basis of pro forma financial statements.

Note 25: Transactions in relation to consolidated entities illustrated on the table above were eliminated in consolidated financial statements.

(English Translation of Financial Report Originally Issued in Chinese)
PEGATRON CORPORATION AND ITS SUBSIDIARIES
Acquisition of real estate for which the dollar amount reaches \$100 million or 20% or more of paid-in capital
For the year ended December 31, 2009
 (Expressed in thousands of New Taiwan dollars, unless specified otherwise)

<u>Company Name</u>	<u>Types of Property</u>	<u>Transaction Date</u>	<u>Acquisition Date</u>	<u>Carrying Value</u>	<u>Transaction Amount</u>	<u>Proceed received</u>	<u>Disposal gain or loss</u>	<u>Counter-party</u>	<u>Nature of Relationships</u>	<u>Purpose of Disposal</u>	<u>Price Reference</u>	<u>Other Terms</u>
Ability Enterprise Co., Ltd.	Land, buildings and structures (Non-current Assets Held for Sale)	2009/3/3	1984/8/31 (Note 2)	151,034	360,000 (Note 3)	Normal	178,573	ABILITY INTERNATIONAL TENANCY CO., LTD.	None	Disposal non-operational real estate	Based upon the real estate valuation report issued by external expert (Note 1)	None

Note 1: The Company shall state the result of asset valuation at the "price reference" column when it is required under security regulations.

Note 2: The disposed land and building were acquired on August 31, 1984 along with any building improvements that were obtained subsequently.

Note 3: The net proceeds for this transaction amounted of \$329,607, comprising of the selling price of \$360,000 minus relevant selling expenses.

Table 7

(English Translation of Financial Report Originally Issued in Chinese)
PEGATRON CORPORATION AND ITS SUBSIDIARIES
Buying/selling products with related parties for which the dollar amount reaches \$100 million or 20% or more of paid-in capital
For the year ended December 31, 2009
(Expressed in thousands of New Taiwan dollars, unless specified otherwise)

Company Name	Related Party	Nature of Relationship	Transaction Detail				Non-arm's Length Transaction		Notes/Accounts Payable or Receivable		Note
			Purchases/Sales	Amount	% to Total	Payment Terms (Note 4)	Unit Price	Payment Terms	Ending Balance	% to Total	
UNIHAN CORPORATION	CASETEK COMPUTER (SUZHOU) CO.,LTD	(Note 2)	Sales	236,411	0.18%	Net 60 days after monthly closing	-	-	12,073	0.04%	
CASETEK COMPUTER (SUZHOU)	UNIHAN CORPORATION	(Note 2)	Purchases	236,411	3.94%	Net 60 days after monthly closing	-	-	(12,073)	(0.32)%	
UNIHAN CORPORATION	CASETEK COMPUTER (SUZHOU) CO.,LTD	(Note 2)	Purchases	2,326,694	1.75%	Net 60 days after monthly closing	-	-	(382,651)	(1.80)%	
CASETEK COMPUTER (SUZHOU)	UNIHAN CORPORATION	(Note 2)	Sales	2,326,694	29.13%	Net 60 days after monthly closing	-	-	382,651	15.95%	
UNIHAN CORPORATION	PEGATRON Czech s.r.o.	(Note 2)	Purchases	2,155,281	1.62%	Net 90 days after receipt of goods	-	-	(1,094,690)	(5.15)%	
PEGATRON Czech s.r.o.	UNIHAN CORPORATION	(Note 2)	Sales	2,155,281	9.44%	Net 90 days after receipt of goods	-	-	1,094,690	32.83%	
UNIHAN CORPORATION	BOARDTEK COMPUTER (SUZHOU) CO., LTD	(Note 2)	Purchases	1,047,445	0.79%	Net 60 days after monthly closing	-	-	(165,453)	(0.78)%	
BOARDTEK COMPUTER (SUZHOU) CO.,	UNIHAN CORPORATION	(Note 2)	Sales	1,047,445	18.65%	Net 60 days after monthly closing	-	-	165,453	14.88%	
UNIHAN CORPORATION	ASLINK (H.K.) PRECISION CO.LIMITED	(Note 2)	Purchases	155,324	0.12%	Net 30 days after monthly closing	-	-	(10,902)	(0.05)%	
ASLINK (H.K.) PRECISION	UNIHAN CORPORATION	(Note 2)	Sales	155,324	14.25%	Net 30 days after monthly closing	-	-	10,902	4.39%	
ASROCK Incorporation	ASROCK EUROPE B.V.	(Note 2)	Sales	3,780,400	39.25%	Net 45 days after receipt of goods	-	-	358,620	33.89%	
ASROCK EUROPE B.V.	ASROCK Incorporation	(Note 2)	Purchases	3,780,400	100.00%	Net 45 days after receipt of goods	No comparable vendor	No comparable vendor	(358,620)	(100.00)%	
ASROCK Incorporation	ASROCK AMERICA, INC.	(Note 2)	Sales	2,238,569	23.24%	Net 90 days after monthly closing	-	90 days	443,711	41.93%	
ASROCK AMERICA, INC.	ASROCK Incorporation	(Note 2)	Purchases	2,238,569	100.00%	Net 90 days after monthly closing	No comparable vendor	No comparable vendor	(443,711)	(100.00)%	
ASROCK Incorporation	ASIRACK TECHNOLOGY LIMITED	(Note 2)	Purchases	8,207,537	98.83%	Net 60 days after monthly closing	No comparable vendor	No comparable vendor	(1,900,610)	(99.89)%	
ASIRACK TECHNOLOGY LIMITED	ASROCK Incorporation	(Note 2)	Sales	8,207,537	100.00%	Net 60 days after monthly closing	No comparable vendor	No comparable vendor	1,900,610	89.71%	
Lumens Integration Inc.	Lumens Digital Optics Inc.	(Note 2)	Purchases	580,096	100.00%	Net 73 days after receipt of goods	-	-	(58,476)	(96.00)%	
Lumens Digital Optics Inc.	Lumens Integration Inc.	(Note 2)	Sales	580,096	44.85%	Net 73 days after receipt of goods	-	0-90 days	58,476	47.35%	
AMA PRECISION INC.	Protek (ShangHai) Limited	(Note 2)	Sales	232,399	18.00%	Net 30 days after monthly closing	-	-	46,107	6.85%	
Protek (ShangHai) Limited	AMA PRECISION INC.	(Note 2)	Purchases	232,399	0.13%	Net 30 days after monthly closing	-	-	(46,107)	(0.07)%	
AzureWave Technologies, Inc.	Protek (ShangHai) Limited	(Note 2)	Sales	2,275,712	50.00%	Net 60-90 days after receipt of goods	-	-	327,445	38.00%	
Protek (ShangHai) Limited	AzureWave Technologies, Inc.	(Note 2)	Purchases	2,275,712	1.28%	Net 60-90 days after receipt of goods	-	-	(327,445)	(0.52)%	
CASETEK COMPUTER (SUZHOU)	PEGATRON Czech s.r.o.	(Note 2)	Sales	708,792	8.87%	Net 60 days after monthly closing	-	-	351,533	14.65%	
PEGATRON Czech s.r.o.	CASETEK COMPUTER (SUZHOU) CO.,LTD	(Note 2)	Purchases	708,792	2.33%	Net 60 days after monthly closing	-	-	(351,533)	(6.01)%	
Protek (ShangHai) Limited	BOARDTEK COMPUTER (SUZHOU) CO., LTD	(Note 2)	Purchases	1,079,812	0.61%	Net 60 days after monthly closing	-	-	(151,920)	(0.24)%	
BOARDTEK COMPUTER (SUZHOU) CO., LTD	Protek (ShangHai) Limited	(Note 2)	Sales	1,079,812	19.23%	Net 60 days after monthly closing	-	-	151,920	13.66%	
Protek (ShangHai) Limited	CASETEK COMPUTER (SUZHOU) CO.,LTD	(Note 2)	Purchases	868,732	0.49%	Net 60 days after monthly closing	-	-	(167,882)	(0.27)%	
CASETEK COMPUTER (SUZHOU) CO.,LTD	Protek (ShangHai) Limited	(Note 2)	Sales	868,732	10.88%	Net 60 days after monthly closing	-	-	167,882	7.00%	
Protek (ShangHai) Limited	ASLINK PRECISION CO., LTD.	(Note 2)	Purchases	103,171	0.06%	Net 60 days after monthly closing	-	-	(570)	(0.00)%	
ASLINK PRECISION CO., LTD.	Protek (ShangHai) Limited	(Note 2)	Sales	103,171	9.46%	Net 60 days after monthly closing	-	-	570	0.23%	
Protek (ShangHai) Limited	ASAP INTERNATIONAL CO., LIMITED	(Note 2)	Purchases	121,568	0.07%	Net 60 days after monthly closing	-	-	(39,167)	(0.06)%	
ASAP INTERNATIONAL CO., LIMITED	Protek (ShangHai) Limited	(Note 2)	Sales	121,568	52.46%	Net 60 days after monthly closing	-	-	39,167	27.24%	
AMA PRECISION INC.	AMA Technology Corporation	(Note 2)	Purchases	1,081,720	84.26%	Net 90 days after monthly closing	-	-	(319,246)	(84.06)%	
AMA PRECISION INC.	Toptek Precision Industry(SuZhou) Co., Ltd	(Note 2)	Sales	212,526	15.63%	Net 60 days after monthly closing	-	-	365,879	53.85%	
AMA Technology Corporation	AMA PRECISION INC.	(Note 2)	Sales	1,081,720	100.00%	Net 90 days after monthly closing	-	-	319,246	100.00%	
AMA Technology Corporation	Toptek Precision Industry(SuZhou) Co., Ltd	(Note 2)	Purchases	649,466	65.29%	Net 30 days after monthly closing	-	-	(171,873)	(52.49)%	
Toptek Precision Industry(SuZhou) Co., Ltd	AMA Technology Corporation	(Note 2)	Sales	649,466	95.28%	Net 30 days after monthly closing	-	-	171,873	97.88%	
Toptek Precision Industry(SuZhou) Co., Ltd	AMA PRECISION INC.	(Note 2)	Purchases	212,526	43.90%	Net 60 days after monthly closing	-	-	(365,879)	(82.87)%	
Ability Enterprise Co., Ltd.	VIEWQUEST TECHNOLOGIES (BVI) INC.	(Note 2)	Purchases	32,136,772	98.00%	Mutual agreements	-	-	(3,790,513)	(96.00)%	
VIEWQUEST TECHNOLOGIES (BVI) INC.	Ability Enterprise Co., Ltd.	(Note 2)	Sales	32,136,772	99.00%	Mutual agreements	-	-	3,790,513	99.00%	
Ability Enterprise Co., Ltd.	ACTION PIONEER INTERNATIONAL LTD.	(Note 2)	Purchases	320,934	1.00%	Mutual agreements	-	-	(55,663)	(1.00)%	

(Continued)

Company Name	Related Party	Nature of Relationship	Transaction Detail			Non-arm's Length Transaction		Notes/Accounts Payable or Receivable		Note
			Purchases/Sales	Amount	% to Total	Payment Terms (Note 4)	Unit Price	Payment Terms	Ending Balance	
ACTION PIONEER INTERNATIONAL LTD.	Ablitiv Enterprise Co., Ltd.	(Note 2)	Sales	320,934	99.00%	Mutual agreements	-	-	55,663	57.00%
VIEWQUEST TECHNOLOGIES (BVI) INC.	Avy Precision Technology Inc.	(Note 2)	Purchases	499,285	2.00%	Net 120 days after monthly closing	-	-	(220,798)	(3.00%)
VIEWQUEST TECHNOLOGIES (BVI) INC.	Avy Co., Ltd.	(Note 2)	Purchases	252,340	1.00%	Net 120 days after monthly closing	-	-	(105,341)	(1.00%)
VIEWQUEST TECHNOLOGIES (BVI) INC.	ASHINE PRECISION CO., LTD.	(Note 2)	Purchases	455,130	1.00%	Net 60 days after monthly closing	-	-	(119,751)	(2.00%)
Powtek (Shanghai) Co., Ltd.	PEGATRON CORPORATION	(Note 2)	Purchases	4,261,589	99.30%	Net 45 days after receipt of goods	-	-	(1,070,802)	(100.00%)
PEGATRON Czech s.r.o.	PEGATRON CORPORATION	(Note 2)	Purchases	3,805,838	12.51%	Net 120 days after receipt of goods	-	-	(2,666,310)	(45.57%)
PEGATRON TECHNOLOGY SERVICE INC.	PEGATRON CORPORATION	(Note 2)	Purchases	363,329	75.17%	Net 90 days after receipt of goods	-	-	(65,125)	(89.91%)
UNIHAN CORPORATION	PEGATRON CORPORATION	(Note 2)	Purchases	299,856	0.22%	Net 60 days after receipt of goods	-	-	(86,898)	(0.34%)
BOARDTEK COMPUTER (SUZHOU) CO.,	PEGATRON CORPORATION	(Note 2)	Purchases	127,474	3.12%	Net 90 days after monthly closing	-	-	(7)	(0.00%)
Protek (ShangHai) Limited	PEGATRON CORPORATION	(Note 2)	Purchases	167,131	0.09%	Net 90 days after monthly closing	-	-	(51,620,571)	(82.67%)
Protek (ShangHai) Limited	PEGATRON CORPORATION	(Note 2)	Sales	30,864,549	17.62%	Net 90 days after receipt of goods	-	-	51,927,044	99.90%
CASETEK COMPUTER (SUZHOU) CO.,LTD	PEGATRON CORPORATION	(Note 2)	Sales	3,159,666	39.56%	Net 60 days after monthly closing	-	-	862,608	35.86%
BOARDTEK COMPUTER (SUZHOU) CO.,LTI	PEGATRON CORPORATION	(Note 2)	Sales	1,493,118	26.59%	Net 90 days after receipt of goods	-	-	201,188	18.09%
UNIHAN CORPORATION	PEGATRON CORPORATION	(Note 2)	Sales	559,332	0.42%	Net 90 days after receipt of goods	-	-	5,457	0.02%
AzureWave Technologies, Inc.	PEGATRON CORPORATION	(Note 2)	Sales	541,914	11.91%	Net 60 days after monthly closing	-	-	74,975	8.93%
AMA PRECISION INC.	PEGATRON CORPORATION	(Note 2)	Sales	403,363	29.67%	Net 30 days after monthly closing or receipt of goods	-	-	45,963	6.76%
KAEDAR ELECTRONICS (KUNSHAN) CO.,LTD	PEGATRON CORPORATION	(Note 2)	Sales	176,514	10.65%	Net 90 days after monthly closing	-	-	58,408	6.89%
KAEDAR TRADING LTD.	PEGATRON CORPORATION	(Note 2)	Sales	112,648	22.98%	Net 45 days after receipt of goods	-	-	1,280	1.52%
MAINTEK COMPUTER(SUZHOU)CO.,LTD	PEGATRON CORPORATION	(Note 2)	Sales	101,912	0.66%	Net 30 days after monthly closing	-	-	98	0.07%
ASLINK (H.K.) PRECISION CO.,LIMITED	PEGATRON CORPORATION	(Note 2)	Sales	111,077	10.19%	Net 90 days after monthly closing	-	-	8,958	3.61%
ASIAROCK TECHNOLOGY LIMITED	PEGATRON CORPORATION	(Note 2)	Purchases	744,791	9.75%	Net 30 days after receipt of goods	-	-	(347,689)	(20.87%)
ASIAROCK TECHNOLOGY LIMITED	PEGATRON CORPORATION	(Note 2)	Sales	444,707	5.15%	Net 60 days after monthly closing	-	-	136,917	6.71%
ASHINE TECHNOLOGY (SUZHOU) LTD.	PEGATRON CORPORATION	(Note 2)	Purchases	470,144	54.26%	Net 60 days after monthly closing	-	-	(208,772)	(57.74%)
ASHINE TECHNOLOGY (SUZHOU) LTD.	PEGATRON CORPORATION	(Note 2)	Sales	412,484	49.80%	Net 60 days after monthly closing	-	-	-	-
ASKEY TECHNOLOGY (JIANGSU) LTD.	PEGATRON CORPORATION	(Note 2)	Sales	142,741	0.66%	Net 60 days after monthly closing	-	-	-	-
Protek (ShangHai) Limited	ASUSTEK COMPUTER (SHANGHAI) CO., LTD.	(Note 2)	Sales	247,555	0.14%	Net 60 days after receipt of goods	-	-	43,368	1.62%
PEGATRON TECHNOLOGY SERVICE INC.	ASUS COMPUTER INTERNATIONAL	(Note 2)	Sales	196,954	37.44%	Net 30 days after monthly closing	-	-	102	0.00%
Protek (ShangHai) Limited	Enertnix, Inc.	(Note 2)	Purchases	263,805	0.15%	Net 30 days after monthly closing	-	-	51,547	34.43%
UNIHAN CORPORATION	ASHINE TECHNOLOGY (SUZHOU) LTD.	(Note 2)	Purchases	131,717	0.10%	Net 30 days after monthly closing	-	-	(60,200)	(0.10%)
UNIHAN CORPORATION	Enertnix, Inc.	(Note 2)	Purchases	111,261	0.08%	Net 30 days after monthly closing	-	-	(12,506)	(0.06%)
CASETEK COMPUTER (SUZHOU)	ASUSTeK Computer Inc.	(Note 2)	Sales	179,452	2.25%	Net 60 days after monthly closing	-	-	(55,269)	(0.26%)
AMA PRECISION INC.	ASUSTeK Computer Inc.	(Note 2)	Sales	274,241	21.24%	Net 60 days after monthly closing	-	-	51,401	2.14%
BOARDTEK COMPUTER (SUZHOU) CO.,	ASUSTeK Computer Inc.	(Note 2)	Sales	1,516,942	27.01%	Net 60 days after monthly closing	-	-	167,812	24.88%
BOARDTEK(HK) TRADING LIMITED	ASUSTeK Computer Inc.	(Note 2)	Sales	144,175	41.53%	Net 45 days after receipt of goods	-	-	261,314	23.50%
ASIAROCK TECHNOLOGY LIMITED	ASUSTeK Computer Inc.	(Note 2)	Purchases	539,025	7.06%	Net 30 days after receipt of goods	-	-	130,359	59.78%
ASLINK (H.K.) PRECISION	ASUSTeK Computer Inc.	(Note 2)	Sales	396,624	36.38%	Net 90 days after monthly closing	-	-	(113,438)	(6.80%)
									38,821	15.63%

Note 1: An investor company accounted for under the equity method

Note 2: An individual investee for which the Company accounted for it under equity method .

Note 3: An investee company accounted for under the equity method by ASUSTek Computer Inc.

Note 4: For accounts receivables incurred between ASUSTek Computer Inc. and its 100% shareholding subsidiaries, other than conducting the transactions pursuant to the initial terms and conditions, the ASUSTek may extend their payment terms for these subsidiaries and reclassified them as long-term receivables.

Note 5: The information disclosed includes transactions which were reclassified as long-term receivables when they are fulfilled for certain requirements.

Note 6: Transactions in relation to consolidated entities illustrated on the table above were eliminated in consolidated financial statements.

(English Translation of Financial Report Originally Issued in Chinese)
PEGATRON CORPORATION AND ITS SUBSIDIARIES
Accounts receivable from related parties for which the dollar amount reaches \$100 million or 20% or more of the paid-in capital
As of December 31, 2009
(Expressed in thousands of New Taiwan dollars, unless specified otherwise)

Company Name	Related Party	Nature of Relationship	Ending Balance (Note 1)	Turnover Rate (time) (Note 1)	Overdue		Amount Received in Subsequent Period (Note 1)	Allowance for Bad Debt
					Amount	Action Taken		
UNIHAN CORPORATION	PEGATRON Czech s.r.o.	An investee company accounted for under the equity method	3,645,372	(0.00)	-	-	-	-
"	Protek (ShangHai) Limited	An investee company accounted for under the equity method	200,876	0.14	-	-	-	-
PEGATRON Czech s.r.o.	UNIHAN CORPORATION	An investee company accounted for under the equity method	1,094,690	2.01	-	-	-	-
CASETEK COMPUTER (SUZHOU) CO.,LTD	UNIHAN CORPORATION	An investee company accounted for under the equity method	382,651	12.16	6,536	Active collection	9,168	-
BOARDTEK COMPUTER (SUZHOU) CO., LTD	UNIHAN CORPORATION	An investee company accounted for under the equity method	165,453	12.66	213	Active collection	95	-
ASROCK Incorporation	ASROCK EUROPE B.V.	An investee company accounted for under the equity method	358,620	12.14	-	-	-	3,586
"	ASROCK AMERICA, INC.	An investee company accounted for under the equity method	443,711	7.16	-	-	-	4,488
ASIAROCK TECHNOLOGY LIMITED	ASROCK Incorporation	An investee company accounted for under the equity method	1,900,610	5.27	-	-	-	19,006
AzureWave Technologies, Inc.	Protek (ShangHai) Limited	An investee company accounted for under the equity method	327,445	12.54	6,523	Active collection intensively	174,151	-
CASETEK COMPUTER (SUZHOU) CO.,LTD	PEGATRON Czech s.r.o.	An investee company accounted for under the equity method	351,533	4.03	88,532	Active collection	-	-
BOARDTEK COMPUTER (SUZHOU) CO., LTD	Protek (ShangHai) Limited	An investee company accounted for under the equity method	151,920	14.22	-	-	-	-
CASETEK COMPUTER (SUZHOU) CO.,LTD	Protek (ShangHai) Limited	An investee company accounted for under the equity method	167,882	10.35	-	-	-	-
AMA PRECISION INC.	Toptek Precision Industry(SuZhou) Co., Ltd	An investee company accounted for under the equity method	365,879	0.74	-	-	-	-
AMA Technology Corporation	AMA PRECISION INC.	An investee company accounted for under the equity method	319,246	4.74	-	-	-	-
Toptek Precision Industry(SuZhou) Co., Ltd	AMA Technology Corporation	An investee company accounted for under the equity method	171,873	6.36	-	-	-	-
VIEWQUEST TECHNOLOGIES (BVI) INC.	Ability Enterprise Co., Ltd.	An investee company accounted for under the equity method	3,790,513	10.95	-	-	-	-
CASETEK COMPUTER (SUZHOU) CO.,LTD	PEGATRON CORPORATION	An investee company accounted for under the equity method	862,608	7.24	-	-	84,016	-
BOARDTEK COMPUTER (SUZHOU) CO., LTD	PEGATRON CORPORATION	An investee company accounted for under the equity method	201,188	14.84	-	-	1,931	-
Protek (ShangHai) Limited	PEGATRON CORPORATION	An investee company accounted for under the equity method	51,927,044	1.13	-	-	17,306,957	-
ASIAROCK TECHNOLOGY LIMITED	PEGATRON CORPORATION	An investee company accounted for under the equity method	136,917	6.50	-	-	-	-
AMA PRECISION INC.	ASUSTeK Computer Inc.	An investee company accounted for under the equity method	167,812	2.64	-	-	-	-
BOARDTEK(HK) TRADING LIMITED	ASUSTeK Computer Inc.	An investee company accounted for under the equity method	130,359	2.19	-	-	-	-
MAINTEK COMPUTER(SUZHOU)CO.,LTD	ASUSPOWER CORPORATION	An investee company accounted for under the equity method	1,937,765	3.75	-	-	-	-
BOARDTEK COMPUTER (SUZHOU) CO., LTD	ASUSTeK Computer Inc.	An investee company accounted for under the equity method	261,314	11.61	42,157	Active collection	56,625	-

Note 1: The information disclosed includes transactions which were reclassified as long-term receivables when they are fulfilled for certain requirements.

Note 2: Transactions in relation to consolidated entities illustrated on the table above were eliminated in consolidated financial statements.

Table 9

(English Translation of Financial Report Originally Issued in Chinese)
PEGATRON CORPORATION AND ITS SUBSIDIARIES
Derivative transactions
As of December 31, 2009
 (Expressed in thousands of New Taiwan dollars and other foreign currencies)

 Holding Company	 Derivative financial instruments held as of December 31, 2009	 Nominal Principal	 Contract period	 Carrying value	 Fair value
Ability Enterprise Co., Ltd.	Forward exchange contracts	USD 49,600	December 2009 to January 2010	12,112	12,112

(English Translation of Financial Report Originally Issued in Chinese)
PEGATRON CORPORATION AND ITS SUBSIDIARIES
Information of investments in mainland China
For the year ended December 31, 2009
(Expressed in thousands of New Taiwan dollars, unless specified otherwise)

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2009	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2009	Percentage of Ownership	Investment Income (Loss) Recognized (Note 2 v (2))	Carrying Amount as of December 31, 2009	Accumulated inward Remittance of Earnings as of December 31, 2009
					Outflow	Inflow					
MAINTEK COMPUTER(SUZHOU) CO.,LTD (Note 7)	Manufacturing, developing and selling power supply units, computer cases, computer systems, notebooks, main boards, and computer peripherals, and providing after-sales service	7,312,594 USD 228,590,000	Indirectly invested through a third region to reinvest the mainland China	4,568,172 USD 142,800,000	1,087,660 US\$34,000,000	-	5,655,832 US\$176,800,000	100%	1,159,743 US\$36,253,308	12,226,820 US\$382,207,558	-
Protek (ShangHai) Limited (Note 6)	Manufacturing, developing and selling computers, printers and electronic components, and providing after-sales service	7,453,670 USD 233,000,000	"	7,453,670 USD 233,000,000	2,399,250 USD 75,000,000	-	9,852,920 USD 308,000,000	100%	(93,052) (USD 2,908,795)	12,947,240 USD 404,727,724	
LINKTEK PRECISION (SUZHOU) CO.,LIMITED (Note 5)	Manufacturing and selling the connector of earphones.	223,432 USD 6,984,441	"	244,923 USD 7,656,224.17	-	-	244,923 USD 7,656,224.17	100%	(78,974) (USD 2,468,696)	22,067 USD 689,796	
ASAP TECHNOLOGY (JIANGXI) CO.,LIMITED	Manufacturing and selling data transit wire and cable.	462,575 USD 14,460,000	"	203,284 USD 6,354,600	63,980 USD 2,000,000	-	267,264 USD 8,354,600	59.17%	49,179 USD 1,537,319	553,695 USD 17,308,392	
BOARDTEK COMPUTER (SUZHOU) CO., LTD	Developing, manufacturing and selling new electronic components, circuit boards and relevant products, and providing after-sales service	1,663,480 USD 52,000,000	"	1,663,480 USD 52,000,000	-	-	1,663,480 USD 52,000,000	100%	266,893 USD 8,343,029	3,182,576 USD 99,486,590	
COTEK ELECTRONICS(SUZHOU)CO.,LTD (Note 8)	R&D, manufacturing and selling new electronic components, providing mold technology, and after-sales service	383,880 US\$12,000,000	"	-	-	USD 1	-	100%	(41,790) (USD 1,306,345)	-	
RUNTOP (SHANGHAI) CO., LTD. (Note 8)	Manufacturing and selling computer parts and peripherals of digital automatic data processors, multimedia computer system accessories, power supply units, network switches, and modems	159,950 US\$5,000,000	"	-	234,665 USD 7,335,586	-	234,665 USD 7,335,586	100%	22,290 USD 696,774	318,188 USD 9,946,497	
Powtek (Shanghai) Co., Ltd. (Note 8)	Selling main boards, computer peripherals, note books, servers and software, and providing after-sales service	255,920 US\$8,000,000	"	-	420,525 USD 13,145,510	-	420,525 USD 13,145,510	100%	911 USD 28,468	493,903 USD 15,439,305	

(Continued)

The limit of investment in mainland China

Accumulated Investment in Mainland China as of December 31, 2009		Investment Amount Authorized by the Investment Commission, MOEA		Upper Limit on Investment (Note 4)
US\$	18,339,609	US\$	20,183,810	57,462,286
	573,291,920		630,941,217	

Foreign currency exchange rate for New Taiwan Dollar to USD is \$31.99 to USD 1.

Note 1: Investments in mainland China are differentiated by the following four methods:

- 1) Direct investment in mainland China with remittance through a third region
- 2) Incorporation of an investee company at third region and indirect re-investment in mainland China through the new entity.
- 3) Indirect investment in mainland China through an existing investee companies at third region.
- 3) Other methods, including representative in investment

Note 2: Under the column of recognition investment gain or loss during current period:

- 1) If the corporation is under set-up phase, no investment gain or loss recognized is required.
- 2) Recognition basis of investment gains or losses is determined by the following three types:
 1. Financial statements on the investee company were audited and certified by an international firm in cooperation with an R.O.C, accounting firm.
 2. Financial statements on the investee company were audited and certified by the external accountant of parent company.
 3. Others – Financial statements on the investee company were not audited or reviewed by the external auditor.

Note 3: On the above-mentioned table, all relevant amounts were disclosed in NTD. Amount denominated in foreign currencies was translated into New Taiwan dollars at the exchange rate prevailing on the balance sheet date.

Note 4: Upper limit on investment was based on greater of 60% of total net worth or \$80 million. The information on the table above was not adjusted under preparation basis of pro forma financial sheet date. □

Note 5: Company under dissolution

Note 6: Due to the group's reorganization, North Tec Asia (ShangHai) Limited was merged with Protek (ShangHai) Limited. The merger was approved by local Administration of Industry and commerce and was yet examined by local tax authorities. Accumulated outflow of investment from Taiwan during the current period amounted to

Note 7: Accumulative paid-in capital includes the capital increment transferred from retained earnings of USD 51,790,000.

Note 8: The amounts remitted during the current period were payments in exchange with spun-off assets initially owned by third parties.

Note 9: Transactions in relation to consolidated entities illustrated on the table above were eliminated in consolidated financial statements.

(English Translation of Financial Report Originally Issued in Chinese)
PEGATRON CORPORATION AND ITS SUBSIDIARIES
Intercompany relationship and significant intercompany transactions (disclosure for their dollar amount greater than \$400 million)
For the year ended December 31, 2009
(Expressed in thousands of New Taiwan dollars, unless specified otherwise)

1. FOR THE YEAR ENDED DECEMBER 31, 2009:

No. (Note 1)	Company Name	Counter Party	Transaction				
			Nature of Relationship (Note 2)	Account	Amount	Terms	Percentage of consolidated total gross sales or total assets (Note 3)
0	PEGATRON CORPORATION	PEGATRON Czech s.r.o.	1	Sales	3,805,838	Net 120 days after receipt of goods	0.71%
0	PEGATRON CORPORATION	ASIAROCK TECHNOLOGY LIMITED	1	Sales	744,791	Net 30 days after receipt of goods	0.14%
0	PEGATRON CORPORATION	Powtek (Shanghai) Co., Ltd.	1	Sales	4,261,589	Net 45 days after receipt of goods	0.79%
0	PEGATRON CORPORATION	PEGATRON Czech s.r.o.	1	Accounts receivable	2,666,310	Net 120 days after receipt of goods	1.19%
0	PEGATRON CORPORATION	Powtek (Shanghai) Co., Ltd.	1	Accounts receivable	1,070,802	Net 45 days after receipt of goods	0.48%
0	PEGATRON CORPORATION	Protek (ShangHai) Limited	1	Accounts receivable	51,620,571	Net 90 days after monthly closing	22.99%
0	PEGATRON CORPORATION	PEGATRON Czech s.r.o.	1	Other receivables	639,802	Calculating interest at the annual rate of 1%	0.28%
0	PEGATRON CORPORATION	Protek (ShangHai) Limited	1	Other receivables	492,773	Net 90 days after receipt of goods	0.22%
1	UNIHAN CORPORATION	PEGATRON CORPORATION	2	Sales	559,332	Net 60 days after receipt of goods	0.10%
1	UNIHAN CORPORATION	PEGATRON Czech s.r.o.	3	Accounts receivable	3,645,372	Net 60 days after monthly closing	1.62%
2	PEGATRON MEXICO, S.A. DE C.	PEGATRON CORPORATION	2	Processing Fees Income	434,195	Net 60 days after monthly closing	0.08%
3	TEK GLOBAL HOLDINGS LIM	PEGATRON CORPORATION	2	Processing Fees Income	649,833	Net 60 days after monthly closing	0.12%
4	PEGATRON Czech s.r.o.	UNIHAN CORPORATION	3	Sales	2,155,281	Net 90 days after receipt of goods	0.40%
4	PEGATRON Czech s.r.o.	UNIHAN CORPORATION	3	Accounts receivable	1,094,690	Net 90 days after receipt of goods	0.49%
5	ASIAROCK TECHNOLOGY LIMITED	PEGATRON CORPORATION	2	Sales	444,707	Net 60 days after monthly closing	0.08%
6	Protek (ShangHai) Limited	PEGATRON CORPORATION	2	Sales	30,864,549	Net 90 days after receipt of goods	5.73%
6	Protek (ShangHai) Limited	PEGATRON CORPORATION	2	Accounts receivable	51,927,044	Net 90 days after receipt of goods	23.12%
7	TEK COMPUTER(SUZHOU)CO	ASUSPOWER CORPORATION	3	Processing Fees Income	15,258,525	Net 60 days after monthly closing	2.84%
7	TEK COMPUTER(SUZHOU)CO	ASUSPOWER CORPORATION	3	Accounts receivable	1,937,765	Net 60 days after monthly closing	0.86%
7	TEK COMPUTER(SUZHOU)CO	CASETTEK COMPUTER (SUZHOU) CO.,LTD	3	Other receivables	1,267,438	Net 60 days after monthly closing	0.56%
7	TEK COMPUTER(SUZHOU)CO	COTEK ELECTRONICS(SUZHOU)CO.,LTD	3	Other receivables	506,056	Net 60 days after monthly closing	0.23%
8	TEK COMPUTER(SUZHOU)CO	PEGATRON CORPORATION	2	Sales	1,493,118	Net 90 days after receipt of goods	0.28%
8	TEK COMPUTER(SUZHOU)CO	UNIHAN CORPORATION	3	Sales	1,047,445	Net 60 days after monthly closing	0.19%
8	TEK COMPUTER(SUZHOU)CO	Protek (ShangHai) Limited	3	Sales	1,079,812	Net 60 days after monthly closing	0.20%
9	TH TEC ASIA (SHANGHAI) LIM	DIGITEK GLOBAL HOLDINGS LIMITED	3	Processing Fees Income	643,331	Mutual agreements	0.12%
10	ASUSPOWER CORPORATION	PEGATRON CORPORATION	2	Processing Fees Income	8,962,696	Net 60 days after monthly closing	1.67%
10	ASUSPOWER CORPORATION	PEGATRON CORPORATION	2	Payments for Other	10,014,356	Net 60 days after monthly closing	4.46%
10	ASUSPOWER CORPORATION	UNIHAN CORPORATION	3	Payments for Other	9,645,874	Net 60 days after monthly closing	4.30%
10	ASUSPOWER CORPORATION	MAINTEK COMPUTER(SUZHOU)CO.,LTD	3	Accounts receivable	4,167,351	Net 60 days after monthly closing	1.86%
10	ASUSPOWER CORPORATION	BOARDTEK COMPUTER (SUZHOU) CO., LTD	3	Accounts receivable	2,706,559	Net 60 days after monthly closing	1.21%
10	ASUSPOWER CORPORATION	COTEK ELECTRONICS(SUZHOU)CO.,LTD	3	Accounts receivable	722,939	Net 60 days after monthly closing	0.32%
10	ASUSPOWER CORPORATION	CASETTEK COMPUTER (SUZHOU) CO.,LTD	3	Accounts receivable	1,686,039	Net 60 days after monthly closing	0.75%
11	AzureWave Technologies, Inc.	PEGATRON CORPORATION	2	Sales	541,914	Net 60 days after monthly closing	0.10%
11	AzureWave Technologies, Inc.	Protek (ShangHai) Limited	3	Sales	2,275,712	Net 60-90 days after receipt of goods	0.42%
12	AMA PRECISION INC.	PEGATRON CORPORATION	2	Sales	403,363	Net 30 days after monthly closing or receipt of goods	0.07%
13	TEK COMPUTER (SUZHOU) CO	PEGATRON CORPORATION	2	Sales	3,159,666	Net 60 days after monthly closing	0.59%
13	TEK COMPUTER (SUZHOU) CO	PEGATRON CORPORATION	2	Accounts receivable	862,608	Net 60 days after monthly closing	0.38%
13	TEK COMPUTER (SUZHOU) CO	UNIHAN CORPORATION	3	Sales	2,326,694	Net 60 days after monthly closing	0.43%
13	TEK COMPUTER (SUZHOU) CO	PEGATRON Czech s.r.o.	3	Sales	708,792	Net 60 days after monthly closing	0.13%
13	TEK COMPUTER (SUZHOU) CO	Protek (ShangHai) Limited	3	Sales	868,732	Net 60 days after monthly closing	0.16%

Note 1: Numbers for business transactions are identified as follow:

1. issuer: 0

2. Investee Company is got sequence number starting from 1.

Note 2: Relationship existed between intercompany are categorized by following three types:

1. Parent company to subsidiary.
2. Subsidiary to parent company.
3. Subsidiary to subsidiary.

Note 3: The percentage of intercompany transaction is calculated in accordance with consolidated gross sales or total assets. For balance sheet accounts, the percentage is calculated by dividing the intercompany

balance at the period end to the consolidated total assets. For current profit and loss accounts, the percentage is calculated by dividing the accumulated amount occurred during the period to the consolidated gross sales.

Note 4: Business relationships and significant intercompany transactions were disclosed on sales and related accounts receivable. Relevant purchase and intercompany accounts payable were not addressed in the section.

Note 5: Transaction is exempt for disclosure when its dollar amount is less than threshold.

(English Translation of Financial Report Originally Issued in Chinese)
PEGATRON CORPORATION AND ITS SUBSIDIARIES
Intercompany relationship and significant intercompany transactions (disclosure for their dollar amount greater than \$400 million)
For the year ended December 31, 2009
(Expressed in thousands of New Taiwan dollars, unless specified otherwise)

2.FOR THE YEAR ENDED DECEMBER 31, 2008

No. (Note1)	Company Name	Counter Party	Transaction				
			Nature of Relationship (Note 2)	Account	Amount	Terms	Percentage of consolidated total gross sales or total assets (Note 3)
0	PEGATRON CORPORATION	Protek (ShangHai) Limited	1	Accounts receivable	14,212,776	Net 90 days after receipt of goods	6.56%
0	PEGATRON CORPORATION	PEGATRON Czech s.r.o.	1	Sales	4,185,715	Net 120 days after receipt of goods	0.79%
0	PEGATRON CORPORATION	UNIHAN CORPORATION	1	Sales	1,143,649	Net 60 days after receipt of goods	0.22%
0	PEGATRON CORPORATION	Powtek (Shanghai) Co., Ltd.	1	Sales	4,200,193	Net 45 days after receipt of goods	0.79%
0	PEGATRON CORPORATION	PEGATRON Czech s.r.o.	1	Accounts receivable	1,582,458	Net 120 days after receipt of goods	0.73%
0	PEGATRON CORPORATION	UNIHAN CORPORATION	1	Accounts receivable	472,403	Net 60 days after receipt of goods	0.22%
0	PEGATRON CORPORATION	Powtek (Shanghai) Co., Ltd.	1	Accounts receivable	531,952	Net 45 days after receipt of goods	0.25%
1	UNIHAN CORPORATION	PEGATRON Czech s.r.o.	3	Sales	698,169	Net 120 days after receipt of goods	0.13%
1	UNIHAN CORPORATION	PEGATRON CORPORATION	2	Sales	5,445,894	Net 60 days after receipt of goods	1.03%
1	UNIHAN CORPORATION	Protek (ShangHai) Limited	3	Sales	400,369	Net 90 days after receipt of goods	0.08%
1	UNIHAN CORPORATION	PEGATRON Czech s.r.o.	3	Accounts receivable	2,245,604	Net 120 days after receipt of goods	1.04%
1	UNIHAN CORPORATION	PEGATRON CORPORATION	2	Accounts receivable	1,128,794	Net 60 days after receipt of goods	0.52%
2	PEGATRON Mexico, S.A. DE C.V.	PEGATRON CORPORATION	2	Processing Fees Income	793,291	Net 30 days after receipt of goods	0.15%
3	Protek (ShangHai) Limited	PEGATRON CORPORATION	2	Other receivables	1,053,920	30-60 days	0.49%
3	Protek (ShangHai) Limited	NORTH TEC ASIA (SHANGHAI) LIMITED	3	Other receivables	833,687	60 days	0.38%
3	Protek (ShangHai) Limited	PEGATRON CORPORATION	2	Sales	36,678,723	Net 90 days after receipt of goods	6.90%
3	Protek (ShangHai) Limited	PEGATRON CORPORATION	2	Accounts receivable	16,998,448	Net 90 days after receipt of goods	7.85%
4	MAINTEK COMPUTER(SUZHOU)CO.,LTD	ASUSPOWER CORPORATION	3	Processing Fees Income	14,771,475	Net 90 days after monthly closing	2.78%
4	MAINTEK COMPUTER(SUZHOU)CO.,LTD	ASUSPOWER CORPORATION	3	Other receivables	6,194,014	Net 60 days after receipt of goods or 90 days after monthly closing	2.86%
5	MAINTEK COMPUTER(SUZHOU)CO.,LTD	ASUSPOWER CORPORATION	3	Processing Fees Income	2,541,703	Net 60 days after receipt of goods or 90 days after monthly closing	0.48%
6	ASLINK (H.K.) PRECISION CO., LIMITED	PEGATRON CORPORATION	2	Sales	523,701	Net 90 days after monthly closing	0.10%
7	ASUSPOWER CORPORATION	MAINTEK COMPUTER(SUZHOU)CO.,LTD	3	Sales	449,636	Net 90 days after receipt of goods	0.08%
7	ASUSPOWER CORPORATION	BOARDTEK COMPUTER (SUZHOU) CO., LTD	3	Sales	2,052,663	Net 90 days after receipt of goods	0.39%
7	ASUSPOWER CORPORATION	CASETEK COMPUTER (SUZHOU) CO.,LTD	3	Sales	753,547	Net 90 days after receipt of goods	0.14%
7	ASUSPOWER CORPORATION	MAINTEK COMPUTER(SUZHOU)CO.,LTD	3	Accounts receivable	4,510,655	Net 90 days after receipt of goods	2.08%
7	ASUSPOWER CORPORATION	BOARDTEK COMPUTER (SUZHOU) CO., LTD	3	Accounts receivable	2,504,449	Net 90 days after receipt of goods	1.16%
7	ASUSPOWER CORPORATION	COTEK ELECTRONICS(SUZHOU)CO.,LTD	3	Accounts receivable	432,589	Net 90 days after receipt of goods	0.20%
7	ASUSPOWER CORPORATION	CASETEK COMPUTER (SUZHOU) CO.,LTD	3	Accounts receivable	1,687,481	Net 90 days after receipt of goods	0.78%
8	AzureWave Technologies, Inc.	Protek (ShangHai) Limited	3	Sales	900,306	30-60 days	0.17%
9	AMA PRECISION INC.	PEGATRON CORPORATION	2	Sales	1,378,936	Net 30 days after monthly closing or receipt of goods	0.26%
10	CASETEK COMPUTER (SUZHOU) CO.,LTD	ASUSPOWER CORPORATION	3	Processing Fees Income	3,593,677	60-90 days	0.68%
10	CASETEK COMPUTER (SUZHOU) CO.,LTD	ASUSPOWER CORPORATION	3	Other receivables	419,521	Mutual agreements	0.19%
11	NORTH TEC ASIA (SHANGHAI) LIMITED	DIGITEK GLOBAL HOLDINGS LIMITED	3	Processing Fees Income	2,696,637	Mutual agreements	0.51%
11	NORTH TEC ASIA (SHANGHAI) LIMITED	DIGITEK GLOBAL HOLDINGS LIMITED	3	Other receivables	537,851	Net 30 days after monthly closing or receipt of goods	0.25%

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2. Subsidiary to parent company.
3. Subsidiary to subsidiary.

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Note 4: Business relationships and significant intercompany transactions were disclosed on sales and related accounts receivable. Relevant purchase and intercompany accounts payable were not addressed in the section.

Note 5: Transaction is exempt for disclosure when its dollar amount is less than threshold.