

Advantech Co., Ltd. and Subsidiaries

**Consolidated Financial Statements for the
Nine Months Ended September 30, 2010 and 2009 and
Independent Accountants' Review Report**

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

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

We have reviewed the accompanying consolidated balance sheets of Advantech Co., Ltd. ("Parent Company") and subsidiaries as of September 30, 2010 and 2009, and the related consolidated statements of income and cash flows for the nine months then ended. These financial statements are the responsibility of the Parent Company's management. Our responsibility is to issue an accountants' review report based on our reviews.

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

As stated in Note 2 to the financial statements, the subsidiaries' financial statements as of and for the nine months ended September 30, 2010 and 2009 had not been reviewed. As of September 30, 2010 and 2009, the total assets of these subsidiaries were 55.60% (NT\$9,994,301 thousand) and 45.91% (NT\$7,170,189 thousand) of the Parent Company's consolidated total assets, respectively, and the total liabilities of these subsidiaries were 49.13% (NT\$2,518,868 thousand) and 53.37% (NT\$1,754,644 thousand) of the Parent Company's consolidated total liabilities, respectively. In the nine months ended September 30, 2010 and 2009, the operating revenues of these subsidiaries were 79.60% (NT\$13,209,174 thousand) and 78.58% (NT\$8,682,125 thousand), respectively, of the consolidated operating revenues, and the net incomes were 32.97% (NT\$756,028 thousand) and 25.92% (NT\$335,913 thousand), respectively, of the consolidated total net income. Also, as stated in Note 9 to the financial statements, we did not review the financial statements of equity-method investees as of and for the nine months ended September 30, 2010 and 2009. As of September 30, 2010 and 2009, the carrying values of these investments were NT\$388,086 thousand and NT\$356,827 thousand, respectively, of the consolidated total assets and the net investment gains were NT\$53,385 thousand and NT\$23,851 thousand in the nine months ended September 30, 2010 and 2009, respectively. These investment amounts as well as additional disclosures in Note 21 required by the Securities and Futures Bureau for the Parent Company and its investees were based on the investees' unreviewed financial statements for the same reporting periods as those of the Parent Company.

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

As disclosed in Note 3 to the accompanying financial statements, the Parent Company and subsidiaries adopted the newly revised Statement of Financial Accounting Standards No. 10 - "Inventories" on January 1, 2009.

October 19, 2010

Notice to Readers

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

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

ADVANTECH CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

SEPTEMBER 30, 2010 AND 2009

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

(Reviewed, Not Audited)

ASSETS	2010		2009		LIABILITIES AND SHAREHOLDERS' EQUITY	2010		2009	
	Amount	%	Amount	%		Amount	%	Amount	%
CURRENT ASSETS					CURRENT LIABILITIES				
Cash (Note 4)	\$ 1,791,619	10	\$ 2,412,009	16	Short-term bank loans (Notes 12 and 18)	\$ 332,520	2	\$ 64,330	-
Financial assets at fair value through profit or loss - current (Notes 2, 5 and 20)	23,813	-	10,762	-	Financial liabilities at fair value through profit or loss - current (Notes 2, 5 and 20)	\$ 45,046	-	\$ 264	-
Available-for-sale financial assets - current (Notes 2, 6 and 20)	14,433	-	13,132	-	Accounts payable (Note 17)	2,203,665	12	1,408,174	9
Notes receivable	338,290	2	201,405	1	Income tax payable	465,715	3	65,174	1
Accounts receivable, net of allowance for doubtful accounts of \$60,185 thousand in 2010 and \$46,421 thousand in 2009 (Note 2)	3,358,749	19	2,202,813	14	Accrued expenses (Note 14)	1,353,413	8	935,015	6
Accounts receivable from related parties (Note 17)	9,924	-	107,666	1	Long-term bank loans - current portion (Notes 13, 18 and 20)	2,200	-	-	-
Other receivables	73,152	-	36,237	-	Advance receipts and other current liabilities	252,346	1	451,488	3
Other receivables - related parties (Note 17)	-	-	47,367	-					
Inventories, net (Notes 2 and 7)	3,670,862	21	2,019,015	13	Total current liabilities	4,654,905	26	2,924,445	19
Deferred income tax assets - current (Note 2)	72,931	-	51,746	-					
Prepayments and other current assets	251,398	1	456,409	3	LONG-TERM LIABILITIES				
					Long-term bank loans (Notes 13, 18 and 20)	20,523	-	-	-
Total current assets	9,605,171	53	7,558,561	48					
LONG-TERM FUNDS AND INVESTMENTS					OTHER LIABILITIES				
Available-for-sale financial assets - noncurrent (Notes 2, 6 and 20)	2,480,225	14	2,587,043	17	Accrued pension liabilities (Note 2)	122,140	1	114,004	1
Financial assets carried at cost - noncurrent (Notes 2 and 8)	103,588	1	121,894	1	Deferred income tax liabilities - noncurrent (Note 2)	326,489	2	243,771	1
Investments accounted for by the equity method (Notes 2 and 9)	388,086	2	356,827	2	Deferred credits (Note 2)	1,121	-	1,583	-
					Others	1,277	-	3,741	-
Total long-term funds and investments	2,971,899	17	3,065,764	20	Total other liabilities	451,027	3	363,099	2
					Total liabilities	5,126,455	29	3,287,544	21
PROPERTIES (Notes 2, 10 and 18)					SHAREHOLDERS' EQUITY				
Cost					Capital stock of parent company, NT\$10.00 par value				
Land	1,311,162	7	1,287,439	8	Authorized - 600,000 thousand shares				
Buildings	2,682,042	15	2,460,520	16	Issued and outstanding - 516,134 thousand shares	5,161,337	29	5,161,337	33
Machinery and equipment	882,349	5	900,142	6	Capital surplus				
Leasehold improvements	893	-	-	-	Additional paid-in capital from share issuance in excess of par	4,376,041	25	4,376,041	28
Furniture and fixtures	417,273	3	376,801	2	Treasury stock transactions	13,612	-	13,612	-
Other equipment	520,410	3	452,361	3	From long-term equity investments	59,911	-	59,898	-
Total cost	5,814,129	33	5,477,263	35	Employee stock options	58,545	-	-	-
Less: Accumulated depreciation	1,571,783	9	1,425,893	9	Total capital surplus	4,508,109	25	4,449,551	28
	4,242,346	24	4,051,370	26	Retained earnings				
Construction in progress and prepayment for equipment	27,478	-	241,603	1	Legal reserve	2,102,592	12	1,927,459	13
					Special reserve	70,136	-	1,135,596	7
Properties, net	4,269,824	24	4,292,973	27	Unappropriated earnings	2,908,050	16	1,294,209	8
					Total retained earnings	5,080,778	28	4,357,264	28
INTANGIBLE ASSETS (Note 2)					Others				
Trademarks	39,587	-	-	-	Cumulative translation adjustments	162,654	1	253,858	2
Goodwill, net	583,907	3	292,493	2	Net loss not recognized as pension cost	(2,353)	-	-	-
Deferred pension cost	7,954	-	7,615	-	Unrealized loss on financial instruments	(815,544)	(5)	(599,887)	(4)
Core technology, net	86,078	1	-	-	Treasury stock - 14,500 thousand shares	(1,385,698)	(8)	(1,385,698)	(9)
Superficies	101,109	1	104,367	1	Total other equity	(2,040,941)	(12)	(1,731,727)	(11)
Other intangible assets, net	70,310	-	-	-	Total shareholders' equity of parent company	12,709,283	70	12,236,425	78
					Minority interest	140,476	1	92,643	1
Total intangible assets	888,945	5	404,475	3	Total shareholders' equity (Notes 2, 14 and 15)	12,849,759	71	12,329,068	79
OTHER ASSETS									
Assets leased to others (Notes 2 and 11)	11,646	-	27,586	-					
Refundable deposits	24,539	-	37,398	-					
Deferred expense, net (Note 2)	204,190	1	229,855	2					
Total other assets	240,375	1	294,839	2					
TOTAL	\$ 17,976,214	100	\$ 15,616,612	100	TOTAL	\$ 17,976,214	100	\$ 15,616,612	100

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

(With Deloitte & Touche review report dated October 19, 2010)

ADVANTECH CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

NINE MONTHS ENDED SEPTEMBER 30, 2010 AND 2009

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

(Reviewed, Not Audited)

	2010		2009	
	Amount	%	Amount	%
OPERATING REVENUES (Notes 2 and 17)				
Sales	\$ 16,454,234	99	\$ 10,999,805	100
Sales returns and allowances	<u>246,999</u>	<u>1</u>	<u>166,490</u>	<u>2</u>
Net sales	16,207,235	98	10,833,315	98
Other operating revenues	<u>386,751</u>	<u>2</u>	<u>215,382</u>	<u>2</u>
Total operating revenues	16,593,986	100	11,048,697	100
OPERATING COSTS (Notes 3, 7 and 17)	<u>10,045,026</u>	<u>61</u>	<u>6,550,202</u>	<u>59</u>
GROSS PROFIT	6,548,960	39	4,498,495	41
UNREALIZED INTERCOMPANY GAINS (Note 2)	(1,121)	-	(1,583)	-
REALIZED INTERCOMPANY GAINS (Note 2)	<u>1,539</u>	<u>-</u>	<u>9,295</u>	<u>-</u>
ADJUSTED GROSS PROFIT	<u>6,549,378</u>	<u>39</u>	<u>4,506,207</u>	<u>41</u>
OPERATING EXPENSES (Note 17)				
Marketing	1,639,076	10	1,347,065	12
Administrative	897,257	5	876,310	8
Research and development	<u>1,439,601</u>	<u>9</u>	<u>985,884</u>	<u>9</u>
Total operating expenses	<u>3,975,934</u>	<u>24</u>	<u>3,209,259</u>	<u>29</u>
OPERATING INCOME	<u>2,573,444</u>	<u>15</u>	<u>1,296,948</u>	<u>12</u>
NONOPERATING INCOME AND GAINS				
Interest income (Note 17)	6,257	-	11,843	-
Investment income recognized under the equity method, net (Notes 2 and 9)	53,385	-	23,851	-
Dividend income (Note 2)	109,959	1	96,934	1
Gain on disposal of investments, net	14,808	-	8,306	-
Foreign exchange gain, net (Note 2)	-	-	25,528	-
Financial instrument revaluation gain, net (Notes 2 and 5)	20,242	-	5,120	-
Other income (Note 17)	<u>75,484</u>	<u>1</u>	<u>65,832</u>	<u>1</u>
Total nonoperating income and gains	<u>280,135</u>	<u>2</u>	<u>237,414</u>	<u>2</u>

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ADVANTECH CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS NINE MONTHS ENDED SEPTEMBER 30, 2010 AND 2009 (In Thousands of New Taiwan Dollars) (Reviewed, Not Audited)

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Consolidated net income	\$ 2,293,057	\$ 1,296,120
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	308,819	272,284
Provision (reversal of provision) for doubtful accounts	22,366	(5,043)
Provision (reversal of provision) for loss on inventories	114,503	(12,258)
Loss on disposal of scrap inventories	19,692	108,232
Loss on disposal of properties, net	19,387	8,273
Gain on disposal of investments	(14,808)	(8,306)
Investment income recognized under the equity-method, net	(53,385)	(23,851)
Cash dividends received from equity-method investees	-	38,398
Compensation cost of employee stock options	53,288	-
Accrued pension liabilities	8,950	79
Deferred income taxes	63,250	68,170
Net changes in operating assets and liabilities		
Financial instruments at fair value through profit or loss	32,307	(32,184)
Notes receivable	(134,071)	61,106
Accounts receivable	(981,300)	(103,825)
Accounts receivable - related parties	87,392	67,164
Other receivable	(15,970)	98,095
Other receivable - related parties	14,000	(47,367)
Inventories	(1,614,711)	266,266
Prepayments and other current assets	128,734	(85,063)
Accounts payable	519,809	364,104
Income tax payable	340,631	(243,135)
Accrued expenses	225,784	23,019
Advance receipts and other current liabilities	(183,092)	161,308
Deferred credits	(418)	(7,712)
Net cash provided by operating activities	<u>1,254,214</u>	<u>2,263,874</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds of capital reduction on available-for-sale financial assets	1,851	-
Proceeds of the disposal of available-for-sale financial assets	36,538	406
Proceeds of the sale of equity-method investments	10,015	46,645
Acquisition of financial assets carried at cost	(70,331)	-
Proceeds of the disposal of financial assets carried at cost	39,776	-
Net cash provided by (used in) the acquisition of a subsidiary	(605,740)	5,705
Acquisition of properties	(124,532)	(339,793)
Proceeds of the disposal of properties	6,155	2,131

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ADVANTECH CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS NINE MONTHS ENDED SEPTEMBER 30, 2010 AND 2009 (In Thousands of New Taiwan Dollars) (Reviewed, Not Audited)

	2010	2009
Decrease in restricted assets	\$ 620	\$ 50,000
Decrease in refundable deposits	12,299	7,772
Increase in deferred expenses	(19,079)	(22,045)
Increase in goodwill	<u>-</u>	<u>(14,226)</u>
Net cash provided by (used in) investing activities	<u>(712,428)</u>	<u>(263,405)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in short-term bank loans	259,652	(514,169)
Decrease in long-term bank loans	(11,249)	(106,232)
Increase (decrease) in other liabilities	662	(1,359)
Employee stock options	-	3,488
Cash bonus to employees and remuneration to directors and supervisors	(7,700)	(72,770)
Cash dividends	(2,006,535)	(1,492,004)
Decrease in minority interest	<u>(74,680)</u>	<u>(16,171)</u>
Net cash used in financing activities	<u>(1,839,850)</u>	<u>(2,199,217)</u>
EFFECT OF EXCHANGE RATE CHANGES	<u>(63,205)</u>	<u>12,229</u>
NET DECREASE IN CASH	(1,361,269)	(186,519)
CASH, BEGINNING OF PERIOD	<u>3,152,888</u>	<u>2,598,528</u>
CASH, END OF PERIOD	<u>\$ 1,791,619</u>	<u>\$ 2,412,009</u>
SUPPLEMENTARY CASH FLOW INFORMATION		
Interest paid (excluding capitalized interest)	<u>\$ 3,189</u>	<u>\$ 8,171</u>
Income tax paid	<u>\$ 114,630</u>	<u>\$ 304,467</u>

(Continued)

ADVANTECH CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS NINE MONTHS ENDED SEPTEMBER 30, 2010 AND 2009 (In Thousands of New Taiwan Dollars) (Reviewed, Not Audited)

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

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

The fair value of the assets and liabilities of Advantech KR Co., Ltd., a 50.5% subsidiary of Advantech Co., Ltd. acquired in January 2010, at acquisition are summarized as follows:

Cash	\$ 59,029
Accounts receivable, net	106,186
Inventories, net	23,195
Other current assets	574
Properties, net	1,383
Deposits refundable	7,980
Accounts payable	(83,685)
Short-term bank loans	(14,000)
Accrued expenses	(10,511)
Income tax payable	(4,659)
Other current liabilities	<u>(4,276)</u>
Net	81,216
Percentage of equity interest	<u>50.50%</u>
	41,014
Cost in excess of book value of subsidiary acquired	<u>18,374</u>
Total	59,388
Less: Cash balances of AKR	<u>59,029</u>
Cash paid for the acquisition of AKR	<u>\$ 359</u>

(Continued)

ADVANTECH CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS NINE MONTHS ENDED SEPTEMBER 30, 2010 AND 2009 (In Thousands of New Taiwan Dollars) (Reviewed, Not Audited)

The fair values of the assets and liabilities of Cermate Technologies Inc. a 55% subsidiary of Advantech Investment Fund-A Co., Ltd. acquired in March 2010, at acquisition are summarized as follows:

Cash	\$	8,636
Notes receivable		2,294
Accounts receivable, net		19,841
Inventories, net		33,836
Restricted assets - current		620
Other current assets		3,498
Investments accounted for by the equity method		29,287
Properties, net		31,890
Deferred expense		3,999
Accounts payable		(16,677)
Short-term bank loans		(3,887)
Accrued expenses		(498)
Long-term bank loans		(33,972)
Other current liabilities		<u>(3,242)</u>
Net		75,625
Percentage of equity interest		<u>55%</u>
		41,594
Cost in excess of book value of subsidiary acquired		<u>28,308</u>
Total		69,902
Less: Cash balances of Cermate Technologies Inc.		<u>8,636</u>
Cash paid for the acquisition of Cermate Technologies Inc.	\$	<u>61,266</u>

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ADVANTECH CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS NINE MONTHS ENDED SEPTEMBER 30, 2010 AND 2009 (In Thousands of New Taiwan Dollars) (Reviewed, Not Audited)

Fair value of assets and liabilities of Advantech Brazil S/A (ABR), a 60% subsidiary of Advantech Co., Ltd. acquired in July 2009, at acquisition are summarized as follows:

Accounts receivable	\$	28,611
Inventories, net		18,899
Deferred income tax assets - current		2,837
Other current assets		3,691
Properties, net		1,542
Other assets		181
Short-term bank loans		(3,760)
Accounts payable		(33,819)
Income tax payable		(8,008)
Accrued expenses		(4,694)
Other current liabilities		(10,697)
Long-term bank loans		(3,871)
Deferred income tax liabilities - noncurrent		<u>(16,692)</u>
Net		(25,780)
Percentage of equity interest		<u>60%</u>
		(15,468)
Cost in excess of book value of subsidiary acquired		<u>15,468</u>
Total		-
Less: Cash balances of ABR		-
Cash paid for the acquisition of ABR	\$	<u>-</u>

(With Deloitte & Touche review report dated October 19, 2010)

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ADVANTECH CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS NINE MONTHS ENDED SEPTEMBER 30, 2010 AND 2009 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise) (Reviewed, Not Audited)

1. ORGANIZATION AND OPERATIONS

Advantech Co., Ltd. (the “Parent Company”) was established in September 1981 and it is a listed company. It manufactures and sells embedded computing boards, industrial automation products, applied computers and industrial computers.

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

As of September 30, 2010 and 2009, the Parent Company and the consolidated subsidiaries (collectively, the “Group”) had 5,227 and 4,490 employees, respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Group’s financial statements have been prepared in conformity with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers; order VI-0960064020 issued on November 15, 2007 by the Financial Supervisory Commission of the Executive Yuan; and accounting principles generally accepted in the Republic of China. Under these guidelines, laws and principles, the Group is required to make certain estimates and assumptions that could affect the allowance for doubtful accounts, provision for loss on inventories, depreciation of properties and properties leased to others, pension cost, product warranty reserve, bonuses to employees and remuneration to directors and supervisors and income tax. Actual results could differ from these estimates.

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

The Group’s significant accounting policies are summarized as follows.

Basis for Consolidation

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

The proportionate consolidated method was used as follows: (A) for the nine months ended September 30, 2010 - Advansus Corp.; and (b) for the nine months ended September 30, 2009, Advansus Corp. and Hangzhou Advantofine Automation Tech. Co., Ltd. All significant accounts and transactions between the Parent and these investees have been eliminated from the consolidated financial statements.

The organization chart of intercompany relationships and percentages of ownership as of September 30, 2010 and 2009 is shown in Table 9 (attached). The names, locations and other information of investees are shown in Table 7 (attached).

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

Current and Noncurrent Assets and Liabilities

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

Financial Assets/Liabilities at Fair Value through Profit or Loss

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

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

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

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

Available-for-sale Financial Assets

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

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

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

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

Revenue Recognition, Accounts Receivable, and Allowance for Doubtful Accounts

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

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

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

Inventories

Inventories consist of raw materials and supplies, work-in-process, finished goods. As stated in Note 3, effective January 1, 2009, inventories are stated at the lower of cost or net realizable value. Inventory write-downs are made item by item, except where it may be appropriate to group similar or related items. Net realizable value is the estimated selling price of inventories less all estimated costs of completion and necessary selling costs. Inventory costs are determined using the weighted-average method.

Financial Assets Carried at Cost

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

Long-term Equity Investments

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

The difference between the cost of the investment and the investor's equity in the investee's net assets when an investment is acquired or when the equity method is first adopted is amortized over five years. Effective January 1, 2006, under the revised Statement of Financial Accounting Standards, investment premiums, representing goodwill, are no longer being amortized. If the net fair value of an asset exceeds its investment cost, the difference will be credited to depend on the proportion of noncurrent asset's (not including non-equity-method financial assets, assets for disposal, deferred tax assets and prepaid pension costs or other pension payments) fair value. Effective January 1, 2006, the accounting treatment for the unamortized investment premium arising on acquisitions before January 1, 2006 is the same as that for goodwill and the premium is no longer being amortized. For any investment discount arising on acquisitions before January 1, 2006, the unamortized amount continues to be amortized over the remaining year.

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

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

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

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

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

Properties and Properties Leased to Others

Properties and properties leased to others are stated at cost less accumulated depreciation. Major additions, renewals and betterments are capitalized, while maintenance and repairs are charged to current expense.

Depreciation is computed using the straight-line method over service lives initially estimated as follows (plus one year to represent estimated salvage value): buildings and equipment, 10 to 60 years; machinery and equipment, 2 to 8 years; furniture and fixtures 2 to 8 years; and miscellaneous equipment, 2 to 10 years. Properties and properties leased to others still being used by the Group beyond their initially estimated service lives are depreciated over their newly estimated service lives.

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

Intangible Assets

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

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

Deferred Expenses

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

Asset Impairment

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

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

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

Stock-based Compensation

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

Pension Costs

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

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

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

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

Treasury Stock

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

Income Tax

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

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

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

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

Foreign-currency Transactions

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

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

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

Non-derivative foreign-currency transactions are recorded in New Taiwan dollars at the rates of exchange in effect when the transactions occur. Exchange differences arising from the settlement of foreign-currency assets and liabilities are recognized as gain or loss.

At the balance sheet date, foreign-currency monetary assets and liabilities are revalued at prevailing exchange rates, and the exchange differences are recognized as gain or loss.

If the functional currencies of equity-method investees are foreign currencies, translation adjustments will result from the translation of the investees' financial statements into the reporting currency of the Parent Company. These adjustments are accumulated and reported as a separate component of shareholders' equity.

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

- a. Recognized in shareholders' equity if the changes in fair value are recognized in shareholders' equity;
- b. Recognized as gain or loss if the changes in fair value are recognized as gain or loss.

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

Reclassifications

Certain accounts in the consolidated financial statements as of and for the nine months ended September 30, 2009 have been reclassified to be consistent with the presentation of the consolidated financial statements as of and for the nine months ended September 30, 2010.

3. EFFECTS OF CHANGE IN ACCOUNTING PRINCIPLES

Accounting for Inventories

Effective January 1, 2009, the Group adopted the newly revised Statement of Financial Accounting Standards No. 10 - "Inventories." The main revisions are (1) inventories are stated at the lower of cost or net realizable value, and inventories are written down to net realizable value item by item, except when the grouping of similar or related items is appropriate; (2) unallocated overheads are recognized as expenses in the period in which they are incurred; and (3) abnormal cost, write-downs of inventories and any reversal of write-downs are recorded as cost of sales for the period. This accounting change resulted in decreases of \$5,201 thousand and \$5,843 thousand in the Parent Company's net income and consolidated net income, respectively, and of NT\$0.01 in earnings per share (after income tax) for the nine months ended September 30, 2009.

4. CASH

	<u>September 30</u>	
	<u>2010</u>	<u>2009</u>
Cash on hand	\$ 9,269	\$ 145,751
Checking and demand deposits	1,569,095	1,449,145
Time deposits: Interest - 0.12%-3.57% in 2010 and 0.08%-3.80% in 2009	<u>213,255</u>	<u>817,113</u>
	<u>\$ 1,791,619</u>	<u>\$ 2,412,009</u>

5. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

The trading assets or liabilities of the Parent Company were shown as follows:

	<u>September 30</u>	
	<u>2010</u>	<u>2009</u>
<u>Financial assets resulting from trading</u>		
Forward contracts	<u>\$ 23,813</u>	<u>\$ 10,762</u>
<u>Financial liabilities resulting from trading</u>		
Forward contracts	<u>\$ 45,046</u>	<u>\$ 264</u>

As of September 30, 2010 and 2009, the outstanding forward contracts were as follows:

	Currency	Maturity	Amount (Thousands)
<u>September 30, 2010</u>			
Sell	USD/NTD	October 2010-August 2011	USD54,146/TWD1,715,593
	JPY/USD	October 2010-July 2011	JPY370,000/USD4,204
	EUR/USD	October 2010-August 2011	EUR17,500/USD22,617
	EUR/NTD	January 2011	EUR500/TWD21,359
<u>September 30, 2009</u>			
Sell	USD/NTD	October 2009-April 2010	USD20,223/TWD684,375
	JPY/NTD	December 2009	JPY45,000/TWD16,226
	EUR/USD	October 2009	EUR500/USD723
	EUR/NTD	October 2009	EUR500/TWD23,521

The Parent Company entered into forward contract transactions for the nine months ended September 30, 2010 and 2009 to avoid risks on exchange rate fluctuations. The hedging strategy of the Parent Company was to avoid the major portion of the fair value risks.

On trading financial assets and liabilities for the nine months ended September 30, 2010 and 2009, there were net gains of \$20,242 thousand and \$5,120 thousand, respectively.

6. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	<u>September 30</u>			
	<u>2010</u>		<u>2009</u>	
	<u>Current</u>	<u>Noncurrent</u>	<u>Current</u>	<u>Noncurrent</u>
Quoted domestic stocks				
Chunghwa Telecom Co., Ltd.	\$ 14,433	\$ 108,818	\$ 13,132	\$ -
ASUSTEK Computer Inc.	-	1,521,287	-	2,527,593
Advansus Corp.	-	755,176	-	-
Avalue Technology Inc.	-	65,970	-	-
Quoted overseas stocks				
SG Advantech Co., Ltd.	-	28,974	-	59,450
	<u>\$ 14,433</u>	<u>\$ 2,480,225</u>	<u>\$ 13,132</u>	<u>\$ 2,587,043</u>

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

7. INVENTORIES, NET

	September 30	
	2010	2009
Finished goods	\$ 1,303,737	\$ 757,215
Work in process	676,914	472,976
Materials and supplies	1,393,493	702,439
Inventories in transit	<u>296,718</u>	<u>86,385</u>
	<u>\$ 3,670,862</u>	<u>\$ 2,019,015</u>

As of September 30, 2010 and 2009, the provisions for loss were \$338,156 thousand and \$278,092 thousand, respectively.

The costs of goods sold pertaining to inventories as of September 30, 2010 and 2009 were \$10,045,026 thousand and \$6,550,202 thousand, respectively. In addition, for the nine months ended September 30, 2010 the foregoing amounts included provision for loss of \$114,503 thousand and a loss of \$19,692 thousand on inventory scrap disposal, and for the nine months ended September 30, 2009, the foregoing amounts included reversal of provision for loss \$12,258 thousand and a loss of \$108,232 thousand on inventory scrap disposal.

8. FINANCIAL ASSETS CARRIED AT COST

	September 30	
	2010	2009
Unlisted common traded stocks		
Domestic		
Avalue Technology Inc.	\$ -	\$ 88,637
AverMedia Information Inc.	70,331	-
Foreign		
Coban Research and Technologies, Inc. (US\$1,020 thousand)	<u>33,257</u>	<u>33,257</u>
	<u>\$ 103,588</u>	<u>\$ 121,894</u>

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

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

9. LONG-TERM EQUITY INVESTMENTS

	September 30			
	2010		2009	
	Carrying Value	% of Ownership	Carrying Value	% of Ownership
<u>Listed</u>				
Axiomtek Co., Ltd.	\$ 359,140	27.41	\$ 335,496	27.63
<u>Unlisted</u>				
Advantech Hungary Ltd.	14,823	30.00	15,253	30.00
Advantech Corporation (Thailand) Co., Ltd.	7,543	30.00	6,078	30.00
Jan Hsiang Electronics Co., Ltd.	<u>6,580</u>	28.50	<u>-</u>	-
	<u>\$ 388,086</u>		<u>\$ 356,827</u>	

From 2009, Netstar Technology Co., Ltd. (“Netstar”), a subsidiary of the Parent Company, started to dispose the interest of Jan Hsiang Electronics Co., Ltd. (“Jan Hsiang”). With this reduction, Netstar lost its controlling influence on Jan Hsiang and this investee ceased to be a consolidated entity. Netstar had been reclassified to long-term equity investments.

The calculation of the carrying values of the equity-method investments and the equity in their net income or net loss was based on the investees’ unreviewed financial statements for the nine months ended September 30, 2010 and 2009.

The investment premiums, representing goodwill, had no change for the nine months ended September 30, 2010 and 2009, respectively. As of September 30, 2010 and 2009, the goodwill was \$10,517 thousand.

The market value of the listed stocks invested in by the Parent Company, which were calculated on the basis of the closing prices of September 30, 2010 and 2009 were \$612,473 thousand and \$510,741 thousand, respectively.

10. PROPERTIES

Accumulated depreciation was as follows:

	September 30	
	2010	2009
Buildings	\$ 437,514	\$ 367,449
Machinery and equipment	535,978	530,058
Furniture and fixtures	242,988	251,639
Other equipment	<u>355,303</u>	<u>276,747</u>
	<u>\$ 1,571,783</u>	<u>\$ 1,425,893</u>

11. PROPERTIES LEASED TO OTHERS

	<u>September 30</u>	
	<u>2010</u>	<u>2009</u>
Cost		
Buildings	\$ 17,353	\$ 39,587
Accumulated depreciation	<u>(5,707)</u>	<u>12,001</u>
	<u>\$ 11,646</u>	<u>\$ 27,586</u>

12. SHORT-TERM BANK LOANS

	<u>September 30</u>	
	<u>2010</u>	<u>2009</u>
Credit loans - interest of 0.82%-1.32% in 2010 and 1.84% in 2009	<u>\$ 332,520</u>	<u>\$ 64,330</u>

Advantech Co., Ltd. obtained a credit loan from a bank to meet its financing need. As of September 30, 2010, the carrying value of this loan was \$250,000 thousand.

To meet its financing need, Cermate Technologies Inc., an indirect subsidiary of the Parent Company, obtained a credit loan from a bank. As of September 30, 2010, the loan carrying value was \$20,000 thousand.

Advantech Technology (China) Company Ltd., an indirect subsidiary of the Parent Company, obtained a credit loan from a bank to meet its financing need. As of September 30, 2010 and 2009, the carrying values were \$62,520 thousand and \$64,330 thousand, respectively.

13. LONG-TERM BANK LOANS

	Current	Long-term	Total
<u>September 30, 2010</u>			
Secured loans	<u>\$ 2,200</u>	<u>\$ 20,523</u>	<u>\$ 22,723</u>

Cermate Technologies Inc., an indirect subsidiary of the Parent Company, obtained a mortgage bank loan for the capital expenditure. This loan is repayable every one or three months at various amounts from March 2006 to March 2021. As of September 30, 2010, the carrying value of the loan was \$22,723 thousand. Interest rates throughout the repayment period are between 1.99% and 2.07%.

Netstar Technology Co., Ltd., an indirect subsidiary of the Parent Company, obtained a mortgage loan from a bank for its operating needs. This loan is repayable from October 2006 to October 2016 in 40 quarterly installments from January 2007. This loan had been settled and paid in advance in September 2009.

14. SHAREHOLDERS' EQUITY

Capital Surplus

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

Appropriation of Earnings and Dividend Policy

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

- a. 1% to 20% as bonus to employees;
- b. 1% or less as remuneration to directors and supervisors; and
- c. Dividends, as proposed by the board of directors.

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

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

The bonus to employees and remunerations to directors and supervisors of \$286,712 thousand and \$165,000 thousand for the nine months ended September 30, 2010 and 2009, respectively (classified under accrued expenses), were estimated and accrued on the basis of past experience. Material differences between such estimated amounts and the amounts proposed by the Board of Directors in the following year are retroactively adjusted for in the current year. If the actual amounts subsequently resolved by the shareholders differ from the proposed amounts, the differences are recorded in the year of shareholders' resolution as a change in accounting estimate. If bonus shares are resolved to be distributed to employees, the number of shares is determined by dividing the amount of bonus by the closing price (after considering the effect of cash and stock dividends) of the shares of the eve of the shareholders' meeting.

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

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

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

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

The appropriations of earnings for 2009 and 2008 were proposed in the Board of Directors' meeting and approved in the shareholders' meeting held on May 18, 2010 and May 15, 2009, respectively. The appropriations and dividends per share were as follows:

	Appropriation of Earnings		Dividends Per Share (Dollars)	
	2009	2008	2009	2008
Legal reserve	\$ 175,133	\$ 254,354		
Special reserve	-	1,135,596		
Cash dividends	2,006,535	1,490,598	\$4.00	\$3.00
Stock dividends		24,843	-	0.05
		-		

The bonus to employees and the remuneration to directors and supervisors for 2009 and 2008 approved in the shareholders' meetings on May 18, 2010 and May 15, 2009, respectively, were as follows:

	Years Ended December 31			
	2009		2008	
	Cash	Stock	Cash	Stock
Bonus to employees	\$ 175,000	\$ -	\$ 90,000	\$ 100,000
Remuneration to directors and supervisors	3,000	-	-	-

The share number of 2,139 thousand for 2009 was determined by dividing the amount of share bonus by the closing price (after considering the effect of cash and stock dividends) of the day immediately preceding the shareholders' meeting.

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

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

At their meeting on May 15, 2009, the shareholders approved the board of directors' proposal to distribute stock dividends of \$24,843 thousand and stock bonus to employees amounting to \$100,000 thousand. The appropriation of the 2008 earnings was approved by the Financial Supervisory Commission under the Executive Yuan of the ROC. The board of directors resolved August 4, 2009 as the date of distributing stock and cash dividends, and the Parent Company completed the registration of this appropriation with the Ministry of Economic Affairs.

Qualified employees of the Parent Company and its subsidiaries were granted stock options at 3,000 units in July 2010; 10,000 units in December 2009; and 3,000 units in August 2003. Each option entitles the holder to subscribe for one thousand common shares of the Parent Company. Options issued in December 2009 are valid for 5 years and options issued in August 2003 are valid for 6 years. Both are exercisable at certain percentages after the second anniversary year from the grant date. The options were granted at an exercise price equal to the closing price of the Parent Company's common shares listed on the grant date. For any subsequent changes in the Parent Company's paid-in capital, the exercise price and the number of options are adjusted accordingly.

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

The status of employee stock options was as follows:

	Nine Months Ended June 30			
	2010		2009	
	Number of Options (In Thousands)	Weighted -average Exercise Price (NT\$)	Number of Options (In Thousands)	Weighted -average Exercise Price (NT\$)
Balance, beginning of year	10,000	\$58.24	165	\$23.49
Options granted	3,000	67.40	-	-
Options exercised	<u>-</u>	-	<u>(165)</u>	23.49
Balance, end of year	<u>13,000</u>		<u>-</u>	
Options exercisable, end of year	<u>-</u>		<u>-</u>	
Weighted-average fair value of options granted (NT\$)		\$16.45-\$20.25		\$ -

The weighted-average stock price at the date of the exercise of stock options during the nine months ended September 30, 2009 was NT\$47.65.

Information on outstanding options as of September 30, 2010 and 2009 is as follows:

	September 30			
	2010		2009	
Range of Exercise Price (NT\$)	Weighted-average Remaining Contractual Life (Years)	Range of Exercise Price (NT\$)	Weighted-average Remaining Contractual Life (Years)	
\$67.40	4.78	\$58.24	4.17	

Options granted during the nine months ended September 30, 2010 were priced using the Black-Scholes model, and the inputs to the model were as follows:

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

Options granted during the nine months ended September 30, 2009 were priced using the Black-Scholes model, and the inputs to the model were as follows:

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

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

Compensation cost recognized was \$53,288 thousand for the nine months ended September 30, 2010.

15. TREASURY STOCK

Purpose of Treasury Stock	(Shares in Thousands)			
	Number of Shares, Beginning of Period	Addition During the Period	Reduction During the Period	Number of Shares, End of Period
<u>Nine months ended September 30, 2010</u>				
For transfer to employees	<u>14,500</u>	<u>-</u>	<u>-</u>	<u>14,500</u>
<u>Nine months ended September 30, 2009</u>				
For transfer to employees	<u>14,500</u>	<u>-</u>	<u>-</u>	<u>14,500</u>

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

16. EARNINGS PER SHARE

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

	Amount (Numerator)		Shares (Denominator) (Thousand)	Earnings Per Share	
	Pretax	After-tax		Pretax	After-tax
<u>Nine months ended September 30, 2010</u>					
Basic EPS	\$ 2,544,980	\$ 2,270,147	501,634	<u>\$ 5.07</u>	<u>\$ 4.53</u>
Impact of dilutive potential common stock					
Employee stock options	-	-	1,908		
Bonuses to employees	<u>-</u>	<u>-</u>	<u>3,488</u>		
Diluted EPS	<u>\$ 2,544,980</u>	<u>\$ 2,270,147</u>	<u>507,030</u>	<u>\$ 5.02</u>	<u>\$ 4.48</u>

(Continued)

	<u>Amount (Numerator)</u>		<u>Shares</u>	<u>Earnings Per Share</u>	
	<u>Pretax</u>	<u>After-tax</u>	<u>(Denominator)</u> <u>(Thousand)</u>	<u>Pretax</u>	<u>After-tax</u>
Nine months ended <u>September 30, 2009</u>					
Basic EPS	\$ 1,442,739	\$ 1,291,430	501,509	<u>\$ 2.88</u>	<u>\$ 2.58</u>
Impact of dilutive potential common stock					
Employee stock options	-	-	84		
Bonuses to employees	-	-	<u>2,909</u>		
Diluted EPS	<u>\$ 1,442,739</u>	<u>\$ 1,291,430</u>	<u>504,502</u>	<u>\$ 2.86</u>	<u>\$ 2.56</u>

(Concluded)

The Accounting Research and Development Foundation issued Interpretation 2007-052, which requires companies to recognize bonuses paid to employees, directors and supervisors as compensation expenses beginning January 1, 2008. These bonuses were previously recorded as appropriations from earnings. If the Parent Company decides to settle the bonus to employees by cash or shares, the Parent Company should presume that the entire amount of the bonus will be settled in shares and, if the potential resulting shares have a dilutive effect, these shares should be included in the weighted average number of shares outstanding used in the calculation of diluted EPS. The number of shares is estimated by dividing the entire amount of the bonus by the closing price of the shares at the balance sheet date. The dilutive effect of the potential shares should be included in the calculation of diluted EPS until the shareholders resolve the number of shares to be distributed to employees at their meeting in the following year.

17. RELATED-PARTY TRANSACTIONS

a. Related parties

<u>Related Party</u>	<u>Relationship with the Group</u>
Axiomtek Co., Ltd. (“Axiomtek”)	Equity-method investee of the Parent Company
Advantech Hungary Ltd. (AHG)	Equity-method investee of the Parent Company
SG Advantech Co., Ltd. (former name: Advantech Technologies Co., Ltd.) (SGA)	The Parent Company was SGA’s director (SGA was an equity-method investee until December 2008)
Advantech KR Co., Ltd. (AKR)	Related party in substance (Controlling influence is acquired by the Parent Company in January 2010 and thus included in the consolidated entity)
Advantech Corporation (Thailand) Co., Ltd. (ATH)	Equity-method investee of ASG
Avalue Technology Inc. (“Avalue”)	The Parent Company’s chairman is Avalue’s director
Advantech Brazil S/A (ABR)	Related party in substance (controlling influence was acquired by the Parent Company in July 2009 and was thus included in the consolidated entity.)
K&M Investment Co., Ltd. (K&M)	The spouse of the Parent Company’s chairman is K&M’s director
AIDC Investment Corp. (AIDC)	The spouse of the Parent Company’s chairman is AIDC’s director

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

	2010		2009	
	Amount	% to Total	Amount	% to Total
<u>For the nine months ended September 30</u>				
1) Sales				
Avalue	\$ 20,053	-	\$ 213,525	2
ATH	19,010	-	19,693	-
Axiomtek	14,932	-	7,193	-
AKR	-	-	224,917	2
SGA	-	-	13	-
	<u>\$ 53,995</u>	<u>-</u>	<u>\$ 465,341</u>	<u>4</u>
2) Purchase of materials and suppliers				
Axiomtek	\$ 314	-	\$ 258	-
Avalue	-	-	14	-
	<u>\$ 314</u>	<u>-</u>	<u>\$ 272</u>	<u>-</u>
3) Interest income (part of nonoperating income)				
AKR	\$ 21	-	\$ 950	8
4) Other income (part of nonoperating income)				
AIDC	1,125	2	-	-
K&M	375	1	-	-
	<u>1,500</u>	<u>3</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,521</u>	<u>3</u>	<u>\$ 950</u>	<u>8</u>
5) Rental expense (part of nonoperating expense)				
K&M	\$ 1,340	3	-	-
<u>At the end of nine months</u>				
6) Receivables - related parties, net				
Accounts				
Axiomtek	\$ 4,153	41	\$ 1,692	2
ATH	3,526	36	6,056	6
Avalue	2,245	23	33,755	31
AKR	-	-	66,163	61
	<u>\$ 9,924</u>	<u>100</u>	<u>\$ 107,666</u>	<u>100</u>

	<u>2010</u>		<u>2009</u>	
	<u>Amount</u>	<u>% to Total</u>	<u>Amount</u>	<u>% to Total</u>
7) Other receivables - related parties				
Financing provided				
AKR	<u>\$ -</u>	<u>=</u>	<u>\$ 47,367</u>	<u>100</u>
8) Payables				
Accounts				
Axiomtek	\$ 105	92	\$ 1	4
AIDC	9	8	-	-
AKR	<u>-</u>	<u>-</u>	<u>23</u>	<u>96</u>
	<u>\$ 114</u>	<u>100</u>	<u>\$ 24</u>	<u>100</u>

Financing to related parties was as follows (part of other receivable - related parties):

	<u>Nine Months Ended September 30, 2010</u>			
	<u>Maximum Balance</u>	<u>Ending Balance</u>	<u>Interest Rate</u>	<u>Interest Income</u>
AKR	<u>\$ 14,000</u> (KRW500,000 thousand)	<u>\$ -</u>	3%	<u>\$ 21</u>
	<u>Nine Months Ended September 30, 2009</u>			
	<u>Maximum Balance</u>	<u>Ending Balance</u>	<u>Interest Rate</u>	<u>Interest Income</u>
AKR	<u>\$ 49,950</u> (KRW1,850,000 thousand)	<u>\$ 47,367</u> (KRW1,750,000 thousand)	5%	<u>\$ 950</u>

Product sales were conducted under normal terms. The payment terms for related parties were 30 to 90 days. Terms for third parties were 30 to 60 days.

18. ASSETS PLEDGED OR MORTGAGED

As of September 30, 2010, Cermate Technologies Inc., an indirect subsidiary of the Parent Company, pledged assets for a letter of credit and long-term bank loans, as follows:

Properties - land	\$ 13,047
Properties - buildings - cost	<u>17,221</u>
	<u>\$ 30,268</u>

19. SIGNIFICANT COMMITMENTS AND CONTINGENCIES

As of September 30, 2010, the Parent Company had the following guarantees for affiliates' loans:

	Amount
AKMC	<u>NT\$ 331,356 thousand</u>
Advansus Corp.	<u>NT\$ 100,000 thousand</u>
Cermate	<u>NT\$ 20,000 thousand</u>
Advantech Fund-A	<u>NT\$ 300,000 thousand</u>

20. FINANCIAL INSTRUMENTS

a. Fair values of financial instruments were as follows:

	September 30			
	2010		2009	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<u>Nonderivative financial instruments</u>				
<u>Assets</u>				
Available-for-sale financial assets - current	\$ 14,433	\$ 14,433	\$ 13,132	\$ 13,132
Available-for-sale financial assets - noncurrent	2,480,225	2,480,225	2,587,043	2,587,043
<u>Liabilities</u>				
Short-term bank loans	332,520	332,520	64,330	64,330
Long-term bank loans (including current portion)	22,723	22,723	-	-
<u>Derivative financial instruments by location</u>				
Financial assets at fair value through profit or loss - current				
Domestic	4,453	4,453	\$ 3,326	\$ 3,326
Foreign (foreign corporation operating in domestic district included)	19,360	19,360	7,436	7,436
Financial liabilities at fair value through profit or loss - current				
Domestic	10,821	10,821	-	-
Foreign (foreign corporation operating in domestic district included)	34,225	34,225	264	264

b. Methods and assumptions used in the determination of fair values of financial instruments

- 1) For financial instruments such as cash, notes and accounts receivables, receivables from related parties, other receivables, restricted assets - current, short-term bank loans, notes and accounts payables and refundable deposits, the carrying amounts of these financial instruments approximate their fair values.

- 2) Fair values of available-for-sale financial assets were based on their quoted market price.
 - 3) The fair value of long-term bank loans (including current portion) is determined using the present value based of the projected cash flows discounted at interest rates for similar long-term debts.
 - 4) Fair values of derivatives were determined using the quoted market prices or prices estimated using valuation techniques incorporating estimates and assumptions that are consistent with those prevailing in the market.
- c. The fair values of the Group's financial assets and liabilities were based on quoted market prices or determined using certain valuation techniques, as follows:

	Based on the Quoted Market Price		Determined Using Valuation Techniques	
	September 30 2010	2009	September 30 2010	2009
<u>Asset</u>				
Financial assets at fair value through profit or loss - current	\$ -	\$ -	\$ 23,813	\$ 10,762
Available-for-sale financial assets - current	14,433	13,132	-	-
Available-for-sale financial assets - noncurrent	2,480,225	2,587,043	-	-
<u>Liabilities</u>				
Financial liabilities at fair value through profit or loss - current	-	-	45,046	264

- d. As of September 30, 2010 and 2009, financial assets exposed to fair value risk from interest rate fluctuation amounted to \$213,255 thousand and \$817,113 thousand, respectively. As of September 30, 2010 and 2009, financial liabilities exposed to fair value risk from interest rate fluctuation amounted to \$356,682 thousand and \$64,330 thousand, respectively. As of September 30, 2010 and 2009, financial assets exposed to cash flow risk from interest rate fluctuation amounted to \$1,402,095 thousand and \$1,384,556 thousand, respectively.
- e. The Parent Company recognized an unrealized loss of \$557,408 thousand and an unrealized gain of \$855,428 thousand in shareholders' equity for the changes in fair value of available-for-sale financial assets for the nine months ended September 30, 2010 and 2009, respectively. An amount of \$10,237 thousand was deducted from the adjusted items in shareholders' equity and was recognized as a reduction of net income of the nine months ended September 30, 2010. The Company also recognized unrealized gains of \$26,461 thousand and \$332 thousand in shareholders' equity for the changes in available-for-sale financial assets held by equity-method investees for the nine months ended September 30, 2010 and 2009, respectively.
- f. Financial risks
- 1) Market risk. The derivative financial instruments categorized as financial assets at fair value through profit or loss are mainly used to hedge exchange rate fluctuations of foreign currency-denominated assets and liabilities. Thus, the market risk of derivatives will be offset by the gain or loss on the exchange rate fluctuations of hedged assets and liabilities. Available-for-sale financial assets held by the Group are mainly publicly traded stocks. Thus, price fluctuations in the open market would result in changes in fair values of these financial instruments.

- 2) Credit risk. Credit risk represents the potential loss that would be incurred by the Group if the counter-parties breach the contracts. Contracts with positive fair values on the balance sheet date are evaluated for credit risk. Since the counter-parties to the foregoing derivative financial instruments are reputable financial institutions, management believes its exposure to default by counter-parties is low.
- 3) Liquidity risk. The Group has sufficient operating capital to meet cash needs upon settlements of derivative financial instruments. Therefore, the cash flow risk is low. In addition, for long-term equity-method investments (mutual funds and publicly traded stocks), the Group keeps liquidity reserves, which are available on a short-term basis. Additionally, the contracted forward rate is decided on the contract starting dates. Thus, the cash flow risk on forward contracts is low.

21. ADDITIONAL DISCLOSURES

- a. Except for those mentioned in Note 17 and Tables 1 to 7, no additional disclosures are required by the Securities and Futures Bureau for the Parent Company and its investees and on investment in Mainland China.
- b. Investments in mainland China
 - 1) Investee company name, main business and products, total amount of paid-in capital, investment type, investment flows, percentage ownership of direct or indirect investment, investment gains (losses), carrying value as of September 30, 2009, accumulated inward remittance of earnings as of September 30, 2009 and upper limit on investment: Please see Table 8 attached.
 - 2) Significant transaction with overseas subsidiary with direct or indirect investment in China: Notes 17, 19 and Tables 1, 2, 5 and 6.
- c. Intercompany relationships and significant intercompany transactions: Please see Table 10 attached.

ADVANTECH CO., LTD. AND SUBSIDIARIES

FINANCING PROVIDED
NINE MONTHS ENDED SEPTEMBER 30, 2010
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Financier	Counter-party	Financial Statement Account	Maximum Balance for the Period	Ending Balance	Interest Rate	Nature of Financing	Transaction Amount	Financing Reasons	Allowance for Bad Debt	Collateral		Maximum Amount of Financing to Individual Counter-party	Maximum Amount of Financing that Can Be Provided by the Financier
											Item	Value		
0	ACL	AKR	Other receivable - related parties	\$ 14,000 (KRW 500,000 thousand)	\$ -	3%	Business transaction - related	Sales \$276,904	Financing need	\$ -	-	-	\$ 93,780 (Note B)	\$ 93,780 (Note B)
1	AEU	ADL	Other receivable - related parties	29,806 (EUR 700 thousand)	29,806 (EUR 700 thousand)	4%	Short-term financing	-	Financing need	-	-	-	1,270,928 (Note C)	2,541,857 (Note C)
2	SHHQ	ACN	Other receivable - related parties	75,205 (RMB 16,097 thousand)	-	2%	Short-term financing	-	Financing need	-	-	-	140,160 (Note D)	140,160 (Note D)
3	ACN	AKMC	Other receivable - related parties	95,669 (RMB 20,477 thousand)	-	2%	Short-term financing	-	Financing need	-	-	-	140,160 (Note D)	140,160 (Note D)
4	ANA	AESC	Other receivable - related parties	51,579 (US\$ 1,650 thousand)	31,260 (US\$ 1,000 thousand)	2%	Short-term financing	-	Financing need	-	-	-	1,270,928 (Note C)	2,541,857 (Note C)
		AKMC	Other receivable - related parties	184,434 (US\$ 5,900 thousand)	184,434 (US\$ 5,900 thousand)	2%	Short-term financing	-	Financing need	-	-	-	1,270,928 (Note C)	2,541,857 (Note C)
5	AISC	ACN	Other receivable - related parties	138,541 (RMB 29,654 thousand)	138,541 (RMB 29,654 thousand)	2%	Short-term financing	-	Financing need	-	-	-	140,160 (Note D)	140,160 (Note D)
6	Netstar Technology Co., Ltd.	Netstar Electronics Co., Ltd.	Other receivable - related parties	67,521	67,521	-	Business transaction - related	Purchase 280,510	Business transaction - related	-	-	-	280,510 (Note E)	280,510 (Note E)
		LANSONIC (B.V.I.)	Other receivable - related parties	3,676	3,676	-	Short-term financing	-	Financing need	-	-	-	49,168 (Note F)	49,168 (Note F)
7	Broadwin Technology Inc.	Netstar Technology Co., Ltd.	Other receivable - related parties	40,000	35,000	2%	Short-term financing	-	Financing need	-	-	-	42,256 (Note F)	42,256 (Note F)
8	Advantech Fund-A	Netstar Technology Co., Ltd.	Other receivable - related parties	60,000	35,000	2%	Short-term financing	-	Financing need	-	-	-	355,502 (Note F)	355,502 (Note F)
		ACL	Other receivable - related parties	180,000	180,000	1%	Short-term financing	-	Financing need	-	-	-	355,502 (Note F)	355,502 (Note F)
9	AiST	ACL	Other receivable - related parties	20,000	20,000	1%	Short-term financing	-	Financing need	-	-	-	20,018 (Note F)	20,018 (Note F)

Note A: The exchange rate was EUR1=NT\$42.58; US\$1=NT\$31.26; KRW1=NT\$0.028; RMB1= NT\$4.672.

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

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

Note D: For more efficient use of capital among subsidiaries in Mainland China, the maximum amount of financing that can be provided by the financier is RMB30,000 thousand and will be handled over the Citibank account of ACN.

Note E: The maximum amount of financing for service transactions is equal to the amount provided in the recent year and the confirmed service intercourse to be in the future.

Note F: 40% of the net asset value of the financier.

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

ADVANTECH CO., LTD. AND SUBSIDIARIES

ENDORSEMENT/GUARANTEE PROVIDED

NINE MONTHS ENDED SEPTEMBER 30, 2010

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

No.	Endorsement/Guarantee Provider	Counter-party		Limits on Each Counter-party's Endorsement/ Guarantee Amounts	Maximum Balance for the Year	Ending Balance	Value of Collaterals Property, Plant, and Equipment	Ratio of Accumulated Amount of Collateral to Net Equity of the Latest Financial Statements (%)	Maximum Collateral/ Guarantee Amounts Allowable
		Name	Nature of Relationship						
0	Advantech Co., Ltd. (the "Company")	AKMC	Indirect subsidiary	\$ 1,270,928 (Note A)	\$ 331,356 (US\$ 10,600 thousand)	\$ 331,356 (US\$ 10,600 thousand)	\$ -	2.60	\$ 3,812,785 (Note B)
		Netstar Technology Co., Ltd.	Indirect subsidiary	1,270,928 (Note A)	120,000	-	-	-	3,812,785 (Note B)
		Advansus Corp.	Equity-method investee	1,270,928 (Note A)	100,000	100,000	-	0.79	3,812,785 (Note B)
		Cermate Technologies Inc.	Equity-method investee	1,270,928 (Note A)	20,000	20,000	-	0.16	3,812,785 (Note B)
		Advantech Fund-A	Equity-method investee	1,270,928 (Note A)	300,000	300,000	-	2.36	3,812,785 (Note B)

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

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

Note C: The exchange rate was US\$1.00=NT\$31.26.

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

ADVANTECH CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES AND LONG-TERM INVESTMENTS

NINE MONTHS ENDED SEPTEMBER 30, 2010

(In Thousands of New Taiwan Dollars/Foreign Currency)

Company Holding the Securities	Securities Type and Issuer	Relationship with the Holding Company	Financial Statement Account	September 30, 2010				Note	
				Shares	Carrying Value	Percentage of Ownership	Market Value or Net Asset Value		
Advantech Co., Ltd. (the "Company")	<u>Stock</u>								
	AAC (BVI)	Investee	Long-term equity investments	32,606,500	\$ 2,054,382	100.00	\$ 2,055,462	Note A	
	ATC	"	"	32,750,000	2,260,308	100.00	2,268,781	Note A	
	Advansus Corp.	"	"	18,000,000	232,788	50.00	242,450	Note A	
	Advantech Fund-A	"	"	90,000,000	885,296	100.00	888,756	Note A	
	Axiomtek	"	"	21,603,984	359,140	27.41	359,140	Note A	
	AEU	"	"	9,572,024	787,426	100.00	787,426	Note A	
	ASG	"	"	1,450,000	78,348	100.00	78,348	Note A	
	AAU	"	"	500,204	92,119	100.00	92,119	Note A	
	AJP	"	"	1,200	153,146	100.00	153,146	Note A	
	AYS	"	"	12,300,000	22,283	100.00	22,283	Note A	
	AMY	"	"	2,000,000	39,563	100.00	39,563	Note A	
	AHG	"	"	30	14,823	30.00	14,823	Note A	
	ABR	"	"	971,055	14,567	43.28	14,567	Note A	
	AKR	"	"	303,000	76,461	50.50	76,461	-	
	AiST	"	"	5,000,000	50,046	100.00	50,046	-	
	AHK	"	"	Other liability - others	999,999	(9,800)	100.00	(9,800)	Notes A and C
	ASUSTek Computer Inc.	-	-	Available for sale financial assets - noncurrent	6,791,460	1,521,287	1.07	1,521,287	Note B
	SGA	-	-	"	1,556,064	28,974	7.19	28,974	Note B
	Chunghwa Telecom Co., Ltd.	-	-	"	1,554,545	108,818	-	108,818	Note B
Pegatron Corp.	-	-	"	18,486,570	755,176	-	755,176		
Advantech Fund-A	<u>Stock</u>								
	Netstar Technology Co., Ltd.	Investee	Long-term equity investments	20,029,222	191,669	80.12	191,669	Note A	
	BCM Embedded Computer Inc.	"	"	3,500,000	16,479	100.00	16,479	Note A	
	Broadwin Technology, Inc.	"	"	9,777,571	180,860	100.00	180,860	Note A	
	Cermate Technologies Inc.	"	"	5,500,000	76,666	55.00	76,666	Note A	
	Avalue Technology Inc.	-	-	Available for sale financial assets - noncurrent	1,537,759	65,970	3.53	65,970	Note B
	Chunghwa Telecom Co., Ltd.	-	-	Available for sale financial assets - current	206,191	14,433	-	14,433	Note B
	AverMedia Information Inc.	-	-	Financial assets carried at cost - noncurrent	714,000	70,331	0.94	70,331	-
COBAN Research and Technologies, Inc.	-	-	"	600,000	33,257	6.86	33,257	-	

(Continued)

Company Holding the Securities	Securities Type and Issuer	Relationship with the Holding Company	Financial Statement Account	September 30, 2010				Note
				Shares	Carrying Value	Percentage of Ownership	Market Value or Net Asset Value	
ATC	<u>Stock</u> ATC (HK)	Investee	Long-term equity investments	35,650,001	\$ 1,443,037	100.00	\$ 1,443,037	Note A
ATC (HK)	<u>Stock</u> AKMC	Investee	Long-term equity investments	-	1,443,277	100.00	1,443,277	Note A
AAC (BVI)	<u>Stock</u> ANA	Investee	Long-term equity investments	10,952,606	1,091,119	100.00	1,091,119	Note A
	AAC (HK)	"	"	15,230,001	960,242	100.00	960,242	Note A
ANA	<u>Stock</u> ABR	-	Financial assets carried at cost - noncurrent	375,192	6,012	16.72	6,012	-
AAC (HK)	<u>Stock</u> ACN	Investee	Long-term equity investments	-	512,230	100.00	512,230	Note A
	SHHQ	"	"	-	90,534	100.00	90,534	Note A
	AiSC	"	"	-	339,678	100.00	339,678	Note A
	AXA	"	"	-	16,939	100.00	16,939	Note A
ACN	<u>Stock</u> Hangzhou Advantofine Automation Co., Ltd.	"	"	-	14,250	60.00	14,250	Note A
AEU	<u>Stock</u> AESC	"	"	8,314,280	82,610	100.00	82,610	Note A
	ADL	"	"	1,142,000	(125,460)	100.00	(125,460)	Notes A and C
	APL	"	"	6,530	37,467	92.89	37,467	Note A
	DLoG	"	"	1	570,150	100.00	570,150	Note A
ASG	<u>Stock</u> ATH	"	"	30,000	7,543	30.00	7,543	Note A
Netstar Technology Co., Ltd.	<u>Stock</u> LANSONIC (BVI)	"	Other liability - others	3,527,529	(59,799)	94.83	(59,799)	Notes A and C
	Jan Hsiang Electronics Co., Ltd.	"	Long-term equity investments	570,000	6,580	28.50	6,580	Note A
	Lantech Communications Inc.	"	"	1,159,500	-	77.30	-	Note A
Broadwin Technology, Inc.	<u>Stock</u> Broadwin Technology Inc.	"	Long-term equity investments	5,643,650	15,724	100.00	15,724	Note A
LANSONIC (B.V.I.)	<u>Stock</u> Netstar Electronics Corporation	"	Other liability - others	-	HK\$ (33,104)	100.00	HK\$ (33,104)	Notes A and C
Cermate Technologies Inc.	<u>Stock</u> Land Mark	"	Long-term equity investments	1,000,000	34,766	100.00	34,766	Note A

(Continued)

Company Holding the Securities	Securities Type and Issuer	Relationship with the Holding Company	Financial Statement Account	September 30, 2010				Note
				Shares	Carrying Value	Percentage of Ownership	Market Value or Net Asset Value	
Land Mark	<u>Stock</u>							
	Cermate (Shanghai)	"	"	-	\$ 631	100.00	\$ 631	Note A
	Cermate (Shenzhen)	"	"	-	450	90.00	450	Note A

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

Note B: Market value was based on the closing price on September 30, 2010.

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

(Concluded)

ADVANTECH CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL

NINE MONTHS ENDED SEPTEMBER 30, 2010

(In Thousands of New Taiwan Dollars)

Company Holding the Securities	Securities Type and Name/Issuer	Financial Statement Account	Counter-party	Nature of Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Shares	Amount (Cost)	Shares	Amount	Shares	Amount	Carrying Value	Gain (Loss) on Disposal	Shares	Amount (Cost)
Advantech Co., Ltd. (the "Company")	Stock													
	Advantech Fund-A	Long-term equity investments	-	Subsidiary	70,000,000	\$ 700,000	20,000,000	\$ 200,000	-	\$ -	\$ -	\$ -	90,000,000	\$ 900,000
	AEU	Long-term equity investments	-	Subsidiary	9,572,024	439,782	-	553,536	-	-	-	-	9,572,024	993,318
AEU	DLoG	Long-term equity investments	-	Subsidiary	-	-	1	553,536	-	-	-	-	1	553,536

ADVANTECH CO., LTD. AND SUBSIDIARIES

TOTAL PURCHASE FROM OR SALE TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
 NINE MONTHS ENDED SEPTEMBER 30, 2010
 (In Thousands of New Taiwan Dollars/Foreign Currency)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Payable or Receivable		Note	
			Purchase/Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total		
Advantech Co., Ltd.	AESC	Indirect subsidiary	Sales	\$ (1,387,745)	11.70%	Set for 45 days a month			\$ 678,293	23.10%		
	ACN	Indirect subsidiary	Sales	(1,485,575)	12.52%	Set for 45 days a month			384,845	13.11%		
	AKMC	Indirect subsidiary	Sales	(337,961)	2.85%	Set for 30 days after a month			64,275	2.19%		
	AJP	Subsidiary	Sales	(281,474)	2.37%	Set for 45 days a month			43,515	1.48%		
	AiSC	Indirect subsidiary	Sales	(1,140,951)	9.62%	Set for 45 days a month			253,262	8.63%		
	ANA	Indirect subsidiary	Sales	(3,251,699)	27.41%	Set for 45 days a month			585,056	19.92%		
	AKR	Subsidiary	Sales	(276,904)	2.33%	Set for 45 days a month			72,707	2.48%		
	AAU	Subsidiary	Sales	(109,481)	0.92%	60 to 90 days			22,775	0.78%		
	ASG	Subsidiary	Sales	(104,191)	0.88%	60 to 90 days			19,784	0.67%		
	ATC	Subsidiary	Purchase	4,049,125	45.59%	Set for 60 days a month			(1,000,772)	52.90%		
	Advansus Corp.	Subsidiary	Purchase	1,395,566	15.71%	Set for 30 days a month			(207,589)	10.97%		
	ANA	Indirect subsidiary	Purchase	104,440	1.18%	Set for 45 days a month			(14,784)	0.78%		
	ATC	Advantech Co., Ltd.	Ultimate parent company	Sales	(4,049,125)	97.45%	Set for 60 days a month			1,000,772	98.73%	
	Advansus Corp.	Advantech Co., Ltd.	Ultimate parent company	Sales	(1,395,566)	38.47%	Set for 30 days a month			207,589	35.48%	
ANA	Advantech Co., Ltd.	Ultimate parent company	Sales	(104,440)	2.31%	Set for 45 days a month			14,784	1.17%		
	Advantech Co., Ltd.	Ultimate parent company	Purchase	3,251,699	89.60%	Set for 45 days a month			(585,056)	86.00%		
AESC	Advantech Co., Ltd.	Ultimate parent company	Purchase	1,387,745	84.46%	Set for 45 days a month			(678,293)	94.14%		
ACN	Advantech Co., Ltd.	Ultimate parent company	Purchase	1,485,575	75.69%	Set for 45 days a month			(384,845)	59.66%		
AKMC	Advantech Co., Ltd.	Ultimate parent company	Purchase	337,961	8.80%	Set for 30 days after a month			(64,275)	5.51%		
AJP	Advantech Co., Ltd.	Parent company	Purchase	281,474	95.06%	Set for 45 days a month			(43,515)	96.68%		
AiSC	Advantech Co., Ltd.	Ultimate parent company	Purchase	1,140,951	63.72%	Set for 45 days a month			(253,262)	46.40%		
AKR	Advantech Co., Ltd.	Parent company	Purchase	276,904	61.26%	Set for 45 days a month			(72,707)	60.60%		
AAU	Advantech Co., Ltd.	Parent company	Purchase	109,481	71.63%	60 to 90 days			(22,775)	64.40%		
ASG	Advantech Co., Ltd.	Parent company	Purchase	104,191	61.88%	60 to 90 days			(19,784)	71.99%		
ACN	AiSC	Related enterprise	Sales	(166,660)	7.39%	Set for 45 days a month			132,478	19.33%		

(Continued)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Payable or Receivable		Note
			Purchase/Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
AISC	ACN	Related enterprise	Sales	\$ (127,851)	5.67%	Set for 45 days a month			\$ 180,618	31.80%	
AKMC	ATC	Related enterprise	Sales	(3,718,722)	87.76%	Set for 30 days after a month			210,951	64.83%	
	AISC	Related enterprise	Sales	(257,392)	6.07%	Set for 30 days after a month			46,093	14.17%	
	Netstar Technology Co., Ltd.	Related enterprise	Sales	(201,326)	4.75%	Set for 60 days after a month			59,415	18.26%	
ATC	AKMC	Related enterprise	Sales	(103,189)	2.44%	Set for 30 days after a month			17,300	1.71%	
Advansus Corp.	AKMC	Related enterprise	Sales	(1,121,253)	30.91%	Set for 30 days after a month			225,656	38.57%	
AISC	ACN	Related enterprise	Purchase	166,660	9.31%	Set for 45 days a month			(132,478)	24.27%	
	AKMC	Related enterprise	Purchase	257,392	14.38%	Set for 30 days after a month			(46,093)	8.44%	
ATC	AKMC	Related enterprise	Purchase	3,718,722	100.00%	Set for 30 days after a month			(210,951)	97.65%	
Netstar Technology Co., Ltd.	AKMC	Related enterprise	Purchase	201,326	86.78%	Set for 60 days after a month			(59,415)	46.41%	
AKMC	ATC	Related enterprise	Purchase	103,189	2.69%	Set for 45 days a month			(17,300)	1.48%	
	Advansus Corp.	Related enterprise	Purchase	1,121,253	29.21%	Set for 30 days after a month			(225,656)	19.33%	
ACN	AISC	Related enterprise	Purchase	127,851	6.51%	Set for 45 days a month			(180,618)	28.00%	

(Concluded)

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

ADVANTECH CO., LTD. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
 NINE MONTHS ENDED SEPTEMBER 30, 2010
 (In Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Ending Balance	Turnover Rate (Times)	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amount	Action Taken		
Advantech Co., Ltd.	AESC	Indirect subsidiary	\$ 678,293	3.44	\$ -	-	\$ -	\$ -
	ANA	Indirect subsidiary	585,056	11.35	-	-	-	-
	ACN	Indirect subsidiary	384,845	5.66	-	-	123,240	-
	AiSC	Indirect subsidiary	253,262	5.15	-	-	77,025	-
ATC	Advantech Co., Ltd.	Parent company	1,000,772	5.57	-	-	66,393	-
Advansus Corp.	Advantech Co., Ltd.	Parent company	207,589	11.27	-	-	129	-
	AKMC	Related enterprise	225,656	7.96	-	-	-	-
AKMC	ATC	Related enterprise	210,951	18.99	-	-	61,620	-
ACN	AiSC	Related enterprise	132,478	1.95	-	-	-	-
AiSC	ACN	Related enterprise	180,618	1.30	-	-	23,468	-

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

ADVANTECH CO., LTD. AND SUBSIDIARIES

NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTEEES ON WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE
 NINE MONTHS ENDED SEPTEMBER 30, 2010
 (In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of September 30, 2010			Net Income (Loss) of the Investee	Investment Gain (Loss) (Note B)	Note
				September 30, 2010	December 31, 2009	Shares	Percentage of Ownership	Carrying Value			
Advantech Co., Ltd.	AAC (BVI)	BVI	Investment holding company	\$ 1,078,934	\$ 1,078,934	32,606,500	100.00	\$ 2,054,382	\$ 212,811	\$ 218,078	Subsidiary
	ATC	BVI	Sale of industrial automation products	1,044,818	1,044,818	32,750,000	100.00	2,260,308	351,590	350,874	Subsidiary
	Advansus Corp.	Taipei, Taiwan	Production and sale of industrial automation products	180,000	180,000	18,000,000	50.00	232,787	50,852	48,621	Equity-method investee
	AEU	Helmond, The Netherlands	Investment holding company	993,318	439,782	9,572,024	100.00	787,426	15,797	15,797	Subsidiary
	Advantech Fund-A	Taipei, Taiwan	Investment and management service	900,000	700,000	90,000,000	100.00	885,296	31,414	27,954	Subsidiary
	Axiomtek	Taipei, Taiwan	Production and sale of industrial automation products	267,046	269,222	21,603,984	27.41	359,140	185,490	52,137	Equity-method investee
	ASG	Techplace, Singapore	Sale of industrial automation products	27,134	27,134	1,450,000	100.00	78,348	12,498	12,498	Subsidiary
	AAU	Sydney, Australia	Sale of industrial automation products	40,600	40,600	500,204	100.00	92,119	7,591	7,591	Subsidiary
	AJP	Tokyo, Japan	Sale of industrial automation products	15,472	15,472	1,200	100.00	153,145	23,313	23,313	Subsidiary
	AYS	Cayman Islands	Sale of industrial automation products	5,927	51,662	12,300,000	100.00	22,283	(3,689)	(3,589)	Subsidiary
	AMY	Malaysia	Sale of industrial automation products	35,140	35,140	2,000,000	100.00	39,563	8,272	8,272	Subsidiary
	AHG	Budapest, Hungary	Sale of industrial automation products	5,215	5,215	30	30.00	14,823	-	-	Equity-method investee
	AKR	Seoul, Korea	Sale of industrial automation products	58,173	-	303,000	50.50	76,461	33,808	17,072	Subsidiary
	ABR	Sao Paulo, Brazil	Sale of industrial automation products	-	-	971,055	43.28	14,567	14,578	8,747	Subsidiary
	AiST	Taipei, Taiwan	Sale of industrial automation products	50,000	50,000	5,000,000	100.00	50,046	46	46	Subsidiary
	AHK	Mongkok, Hong Kong	Sale of industrial automation products	4,393	4,393	999,999	100.00	(9,800)	(2,853)	(2,853)	Subsidiary (Note A)
Advantech Fund-A	Netstar Technology Co., Ltd.	Taipei, Taiwan	Production and sale of industrial automation products	245,068	242,668	20,029,222	80.12	191,669	(9,640)	(7,677)	Indirect subsidiary
	BCM Embedded Computer Inc.	Taipei, Taiwan	Telecommunications equipment and electronic parts manufacturing	45,500	45,500	3,500,000	100.00	16,479	1,799	1,799	Indirect subsidiary
	Broadwin Technology, Inc. Cermate Technologies Inc.	Taipei, Taiwan Taipei, Taiwan	Assembly and production of computers	165,218 71,500	99,783 -	9,777,571 5,500,000	100.00 55.00	180,860 76,666	4,429 5,777	4,616 5,018	Indirect subsidiary Indirect subsidiary
ATC	ATC (HK)	Hong Kong	Investment holding company	1,026,430	1,026,430	35,650,001	100.00	1,443,037	211,591	211,591	Indirect subsidiary
ATC (HK)	AKMC	Kunshan, China	Production and sale of components of industrial automation products	1,026,430	1,026,430	-	100.00	1,443,277	211,618	211,618	Indirect subsidiary
AYS	ADMC	Guangzhou, China	Production and sale of industrial automation products	-	51,662	-	100.00	-	(3,689)	(3,689)	Indirect subsidiary
AAC (BVI)	ANA	Sunnyvale, USA	Sale and fabrication of industrial automation products	504,179	504,179	10,952,606	100.00	1,091,119	134,197	134,197	Indirect subsidiary
	AAC (HK)	Hong Kong	Investment holding company	539,146	539,146	15,230,001	100.00	960,242	78,684	78,684	Indirect subsidiary
AAC (HK)	ACN	Beijing, China	Sale of industrial automation products	185,356	185,356	-	100.00	512,230	26,607	26,607	Indirect subsidiary
	SHHQ	Shanghai, China	Sale of industrial automation products	96,750	96,750	-	100.00	90,534	255	255	Indirect subsidiary
	AiSC	Shanghai, China	Sale of industrial automation products	257,040	257,040	-	100.00	339,678	59,602	59,602	Indirect subsidiary
	AXA	Xi'an, China	Development and production of software products	32,960	32,960	-	100.00	16,939	(7,758)	(7,758)	Indirect subsidiary
ACN	Hangzhou Advantofine Automation Co., Ltd.	Hangzhou, China	Processes and sale of peripherals	13,727	13,727	-	60.00	14,250	2,051	1,231	Equity-method investee
AEU	AESC	Eindhoven, The Netherlands	Sale of industrial automation products	90,450	90,450	8,314,280	100.00	82,610	(16,142)	(16,142)	Indirect subsidiary
	ADL	Munich, Germany	Sale of industrial automation products	46,028	46,028	1,142,000	100.00	(125,460)	4,989	4,989	Indirect subsidiary (Note A)
	APL DLoG	Warsaw, Poland Munich, Germany	Sale of industrial automation products Sale of industrial automation products	10,285 553,536	10,285 -	6,530 1	92.89 100.00	37,467 570,150	3,819 43,780	3,548 22,610	Indirect subsidiary Indirect subsidiary
ASG	ATH	Thailand	Production of computers	2,495	2,495	30,000	30.00	7,543	972	290	Indirect subsidiary

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of September 30, 2010			Net Income (Loss) of the Investee	Investment Gain (Loss) (Note B)	Note
				September 30, 2010	December 31, 2009	Shares	Percentage of Ownership	Carrying Value			
Netstar Technology Co., Ltd.	Jan Hsiang Electronics Co., Ltd. Lantech Communications Inc. LANSONIC (B.V.I.)	Taipei, Taiwan Taipei, Taiwan BVI	Electronic parts and components manufacturing	\$ 3,719	\$ 7,188	570,000	28.50	\$ 6,580	\$ 3,265	\$ 958	Indirect subsidiary Indirect subsidiary Indirect subsidiary (Note A)
			Retail sale of electronic materials	11,595	11,595	1,159,500	77.30	-	-	-	
			General investment	101,188	101,188	3,527,529	94.83	(59,799)	HK\$ (5,246)	HK\$ (5,246)	
LANSONIC (B.V.I.)	Netstar Electronics Corporation (Dongguan)	Guangzhou, China	Network and UPS product manufacture business	HK\$ 2,935	HK\$ 2,935	-	100.00	HK\$ (33,104)	HK\$ (5,246)	HK\$ (5,246)	Indirect subsidiary (Note A)
Broadwin Technology, Inc.	Broadwin Technology Inc.	San Ramon, USA	Sale of Webaccess software	69,492	69,492	5,643,650	100.00	15,724	(1,161)	(1,161)	Indirect subsidiary
Cermate Technologies Inc.	LandMark	BVI	General investment	28,200	-	1,000,000	100.00	34,766	7,604	7,604	Indirect subsidiary
LandMark	Cermate (Shanghai) Cermate (Shenzhen)	Shanghai, China Shenzhen, China	Sale of industrial electronic products	US\$ 572	-	-	100.00	631	1,823	1,798	Indirect subsidiary
			Manufacture of LCD touch panel, USB data cable and industrial automation products	US\$ 308	-	-	90.00	450	6,423	5,703	Indirect subsidiary

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

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

(Concluded)

TABLE 8

ADVANTECH CO., LTD. AND SUBSIDIARIES

INVESTMENTS IN MAINLAND CHINA

NINE MONTHS ENDED SEPTEMBER 30, 2010

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

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type (e.g., Direct or Indirect)	Accumulated Outflow of Investment from Taiwan as of January 1, 2010	Investment Flows		Accumulated Outflow of Investment from Taiwan as of September 30, 2010	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note A)	Carrying Value as of September 30, 2010	Accumulated Inward Remittance of Earnings as of September 30, 2010
					Outflow	Inflow					
Advantech Technology (China) Company Ltd. (AKMC)	Production and sale of components of industrial automation products	US\$35,650 thousand	Indirect	\$ 978,438 (US\$ 31,300 thousand)	\$ -	\$ -	\$ 978,438 (US\$ 31,300 thousand)	100%	\$ 211,618	\$ 1,443,277	\$ -
Yan Hua Xing Ye Electronic (SHHQ)	Sale of industrial automation products	US\$3,000 thousand	Indirect	93,780 (US\$ 3,000 thousand)	-	-	93,780 (US\$ 3,000 thousand)	100%	255	90,534	-
Beijing Yan Hua Xing Ye Electronic Science & Technology Co., Ltd. (ACN)	Sale of industrial automation products	US\$4,230 thousand	Indirect	166,678 (US\$ 5,332 thousand)	-	-	166,678 (US\$ 5,332 thousand)	100%	26,607	512,230	351,206 (US\$ 11,235 thousand)
Advantech Electronic Technology (Dongguan) Co., Ltd. (ADMC)	Production and sale of industrial automation products	US\$1,400 thousand	Indirect	(Note C)	-	44,483 (US\$ 1,423 thousand)	(Note C)	100%	(3,689)	-	44,483 (US\$ 1,423 thousand)
Shanghai Advantech Intelligent Services Co., Ltd. (AiSC)	Production and sale of industrial automation products	US\$8,000 thousand	Indirect	250,080 (US\$ 8,000 thousand)	-	-	250,080 (US\$ 8,000 thousand)	100%	59,602	339,678	
Xi'an Advantech Software Ltd. (AXA)	Development and production of software products	US\$1,000 thousand	Indirect	(Note D)	-	-	(Note D)	100%	(7,758)	16,939	

Accumulated Investment in Mainland China as of September 30, 2010	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
\$1,495,228 (US\$47,832 thousand) (Note E)	\$2,266,350 (US\$72,500 thousand)	\$7,709,855 (Note G)

(Continued)

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

Note B: The significant events, prices, payment terms and unrealized gains or losses generated on trading between Advantech Co., Ltd. and its investees in Mainland China are described in Note 18 to the financial statements and Tables 1, 2, 5 and 6.

Note C: Remittance by Advantech Technology Co., Ltd.

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

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

Note F: The exchange rate was US\$1.00=NT\$31.26.

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

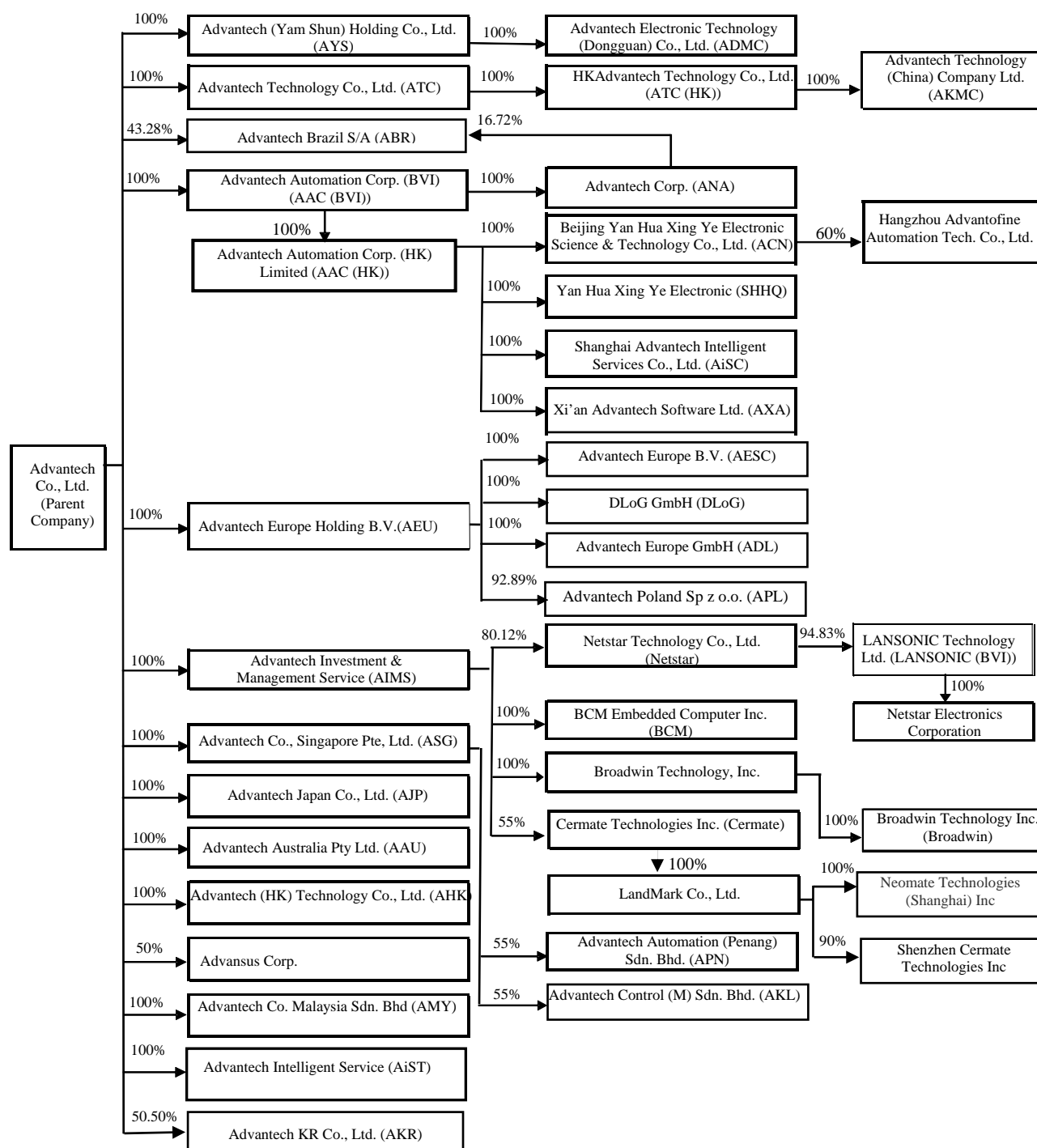
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TABLE 9

ADVANTECH CO., LTD. AND SUBSIDIARIES

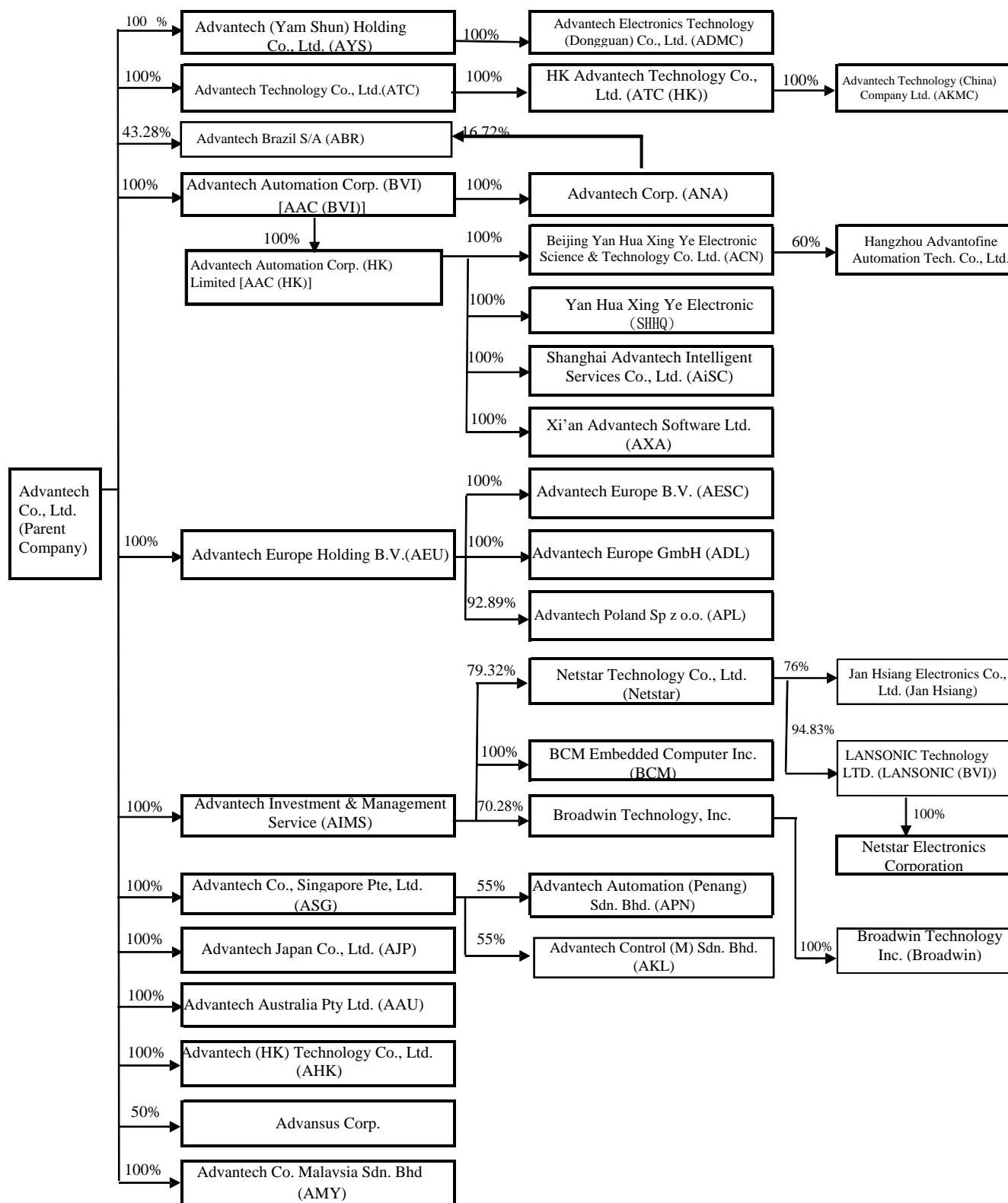
**ORGANIZATION CHART
SEPTEMBER 30, 2010 and 2009**

Intercompany relationships and percentages of ownership as of September 30, 2010 are shown below:



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

Intercompany relationships and percentages of ownership as of September 30, 2009 are shown below:



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

ADVANTECH CO., LTD. AND SUBSIDIARIES

SIGNIFICANT TRANSACTIONS BETWEEN ADVANTECH CO., LTD. AND SUBSIDIARIES
 NINE MONTHS ENDED SEPTEMBER 30, 2010 and 2009
 (In Thousands of New Taiwan Dollars)

September 30, 2010

Number (Note A)	Company Name	Counter Party	Flow of Transaction (Note B)	Transaction Details			% to Consolidated Assets/Revenue (Note C)
				Financial Statement Account	Amount	Payment Terms	
0	Advantech Co., Ltd.	AESC	1	Sales	1,387,745	Normal	8
		AESC	1	Receivables from related parties	678,358	30 days	4
		AESC	1	Purchase	886	Normal	-
		AESC	1	Payables to related parties	147	30 days	-
		ACN	1	Sales	1,485,575	Normal	9
		ACN	1	Receivables from related parties	428,197	45 days	2
		ACN	1	Purchase	2,363	Normal	-
		ACN	1	Payables to related parties	2,228	30 days	-
		ACN	1	Other revenue	41,845	Normal	-
		ATC	1	Purchase	4,049,125	Normal	24
		ATC	1	Payables to related parties	1,000,772	60 days	6
		ATC	1	Royalty income	202,270	Normal	1
		AKMC	1	Sales	337,961	Normal	2
		AKMC	1	Receivables from related parties	64,489	45 days	-
		AKMC	1	Payables to related parties	88	60 days	-
		AAU	1	Sales	109,481	Normal	1
		AAU	1	Receivables from related parties	22,896	60-90 days	-
		AAU	1	Purchase	60	Normal	-
		ASG	1	Sales	104,191	Normal	1
		ASG	1	Receivables from related parties	19,868	60-90 days	-
		ASG	1	Purchase	11	Normal	-
		ASG	1	Payables to related parties	103	60-90 days	-
		AJP	1	Sales	281,474	Normal	2
		AJP	1	Receivables from related parties	43,556	60-90 days	-
		AJP	1	Purchase	10	Normal	-
		AJP	1	Other revenue	4,954	Normal	-
		Advansus Corp.	1	Sales	12,360	Normal	-
		Advansus Corp.	1	Receivables from related parties	2,479	60-90 days	-
		Advansus Corp.	1	Purchase	1,395,566	Normal	8
		Advansus Corp.	1	Payables to related parties	207,589	60-90 days	1
		Advansus Corp.	1	Rental revenue	5,265	Normal	-
		Advansus Corp.	1	Other revenue	8,259	Normal	-
		BCM Embedded Computer Inc.	1	Rental revenue	585	Normal	-
BCM Embedded Computer Inc.	1	Receivables from related parties	77	30 days	-		
BCM Embedded Computer Inc.	1	Payables to related parties	86	30 days	-		

(Continued)

Number (Note A)	Company Name	Counter Party	Flow of Transaction (Note B)	Transaction Details			% to Consolidated Assets/Revenue (Note C)
				Financial Statement Account	Amount	Payment Terms	
		BCM Embedded Computer Inc.	1	Purchase	\$ 504	Normal	-
		BCM Embedded Computer Inc.	1	Sales	681	Normal	-
		Advantech Fund - A	1	Rental revenue	27	Normal	-
		Advantech Fund - A	1	Receivables from related parties	6	Normal	-
		Advantech Fund - A	1	Interest expense	436	Normal	-
		Advantech Fund - A	1	Payables to related parties	180,000	Normal	1
		Broadwin Technology, Inc.	1	Sales	2,158	Normal	-
		Broadwin Technology, Inc.	1	Receivables from related parties	1,576	60 days	-
		Broadwin Technology, Inc.	1	Purchase	697	Normal	-
		Broadwin Technology, Inc.	1	Payables to related parties	417	60 days	-
		Broadwin Technology, Inc.	1	Other revenue	560	Normal	-
		ADL	1	Receivables from related parties	661	30 days	-
		ADL	1	Payables to related parties	81	30 days	-
		AMY	1	Sales	26,800	Normal	-
		AMY	1	Receivables from related parties	7,848	45 days	-
		AMY	1	Payables to related parties	643	Normal	-
		APL	1	Sales	8,932	Normal	-
		APL	1	Receivables from related parties	4,373	45 days	-
		APL	1	Payables to related parties	123	30 days after invoice date	-
		APL	1	Purchase	17	Normal	-
		Netstar Technology Co., Ltd.	1	Purchase	52,179	Normal	-
		Netstar Technology Co., Ltd.	1	Payables to related parties	12,776	60 days	-
		Netstar Technology Co., Ltd.	1	Receivables from related parties	278	25th of every quarter	-
		Netstar Technology Co., Ltd.	1	Sales	3,851	Normal	-
		Netstar Technology Co., Ltd.	1	Other revenue	640	Normal	-
		Jan Hsiang	1	Purchase	17,826	Normal	-
		Jan Hsiang	1	Payables to related parties	1,767	60 days	-
		AYS	1	Payables to related parties	22,993	90 days	-
		AiSC	1	Sales	1,140,951	Normal	7
		AiSC	1	Receivables from related parties	253,310	45 days	1
		AiSC	1	Payables to related parties	103	45 days	-
		ANA	1	Sales	3,251,699	Normal	2-
		ANA	1	Purchase	104,440	Normal	1
		ANA	1	Receivables from related parties	586,084	45 days	3
		ANA	1	Payables to related parties	14,784	45 days	-
		ANA	1	Other revenue	14,990	Normal	-
		AHK	1	Payables to related parties	4	60 days	-
		AHK	1	Receivables from related parties	12	60 days	-
		ABR	1	Receivables from related parties	14,269	90 days	-
		ABR	1	Sales	59,746	Normal	-
		ABR	1	Payables to related parties	27	Normal	-
		ABR	1	Other revenue	447	Normal	-
		AKR	1	Sales	276,904	Normal	2
		AKR	1	Receivables from related parties	80,484	Prompt collection	-
		AKR	1	Interest revenue	21	Normal	-
		AKR	1	Other revenue	15,923	Normal	-

(Continued)

Number (Note A)	Company Name	Counter Party	Flow of Transaction (Note B)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% to Consolidated Assets/Revenue (Note C)
		DLoG	1	Sales	\$ 836	Normal	-
		DLoG	1	Receivables from related parties	503	30 days after invoice date	-
		AiST	1	Interest expense	48	Normal	-
		AiST	1	Payables to related parties	20,000	Normal	-
		Cermate	1	Receivables from related parties	126	Every 6 months (June and December)	-
		Cermate	1	Purchase	10,361	Normal	-
		Cermate	1	Payables to related parties	1,472	Every 6 months (June and December)	-
		Cermate	1	Other revenue	280	Normal	-
1	ANA	Advantech Co., Ltd.	2	Sales	104,440	Normal	1
		Advantech Co., Ltd.	2	Receivables from related parties	14,784	45 days	-
		Advantech Co., Ltd.	2	Purchase	3,251,699	Normal	2-
		Advantech Co., Ltd.	2	Payables to related parties	586,084	45 days	3
		Advantech Co., Ltd.	2	Other expense	14,990	Normal	-
	ANA(AASC)	ASG	3	Sales	218	Normal	-
		ASG	3	Payables to related parties	117	Normal	-
		ASG	3	Purchase	115	Normal	-
		AESC	3	Purchase	1,023	Normal	-
	ANA	AESC	3	Sales	2,059	Normal	-
		AESC	3	Receivables from related parties	31,941	60-90 days	-
		AESC	3	Interest expense	579	Normal	-
		AESC	3	Interest revenue	616	Normal	-
		ATC	3	Receivables from related parties	120	60-90 days	-
		ATC	3	Sales	1,598	Normal	-
		AAU	3	Sales	123	Normal	-
		AAU	3	Receivables from related parties	3	60-90 days	-
		AAU	3	Payables to related parties	501	30 days after invoice date	-
		ACN	3	Sales	763	Normal	-
		AMY	3	Sales	117	60 days	-
		ACN	3	Receivables from related parties	517	30 days	-
		AKMC	3	Receivables from related parties	184,434	30 days after invoice date	1
		AKMC	3	Interest revenue	2,239	30 days	-
		AKMC	3	Payables to related parties	65	60-90 days	-
		AJP	3	Sales	12	Normal	-
2	AESC	Advantech Co., Ltd.	2	Sales	886	Normal	-
		Advantech Co., Ltd.	2	Receivables from related parties	147	30 days	-
		Advantech Co., Ltd.	2	Purchase	1,387,745	Normal	8
		Advantech Co., Ltd.	2	Payables to related parties	678,358	30 days	4
		ADL	3	Sales	8,430	Normal	-
		ADL	3	Commission expense	171,017	Normal	1
		ADL	3	Receivables from related parties	44,604	30 days after invoice date	-
		ADL	3	Payables to related parties	(23,031)	30 days after invoice date	-

(Continued)

Number (Note A)	Company Name	Counter Party	Flow of Transaction (Note B)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% to Consolidated Assets/Revenue (Note C)
		APL	3	Purchase	\$ 33,469	Normal	-
		APL	3	Receivables from related parties	781	30 days	-
		APL	3	Payables to related parties	27,467	30 days after invoice date	-
		AKMC	3	Receivables from related parties	110	Normal	-
		DLoG	3	Receivables from related parties	275	30 days	-
		ACN	3	Receivables from related parties	845	30 days after invoice date	-
		AJP	3	Receivables from related parties	15	30 days	-
		AJP	3	Sales	11	Normal	-
		ANA	3	Sales	1,023	Normal	-
		ANA	3	Interest revenue	579	Normal	-
		ANA	3	Purchase	2,059	Normal	-
		ANA	3	Interest expense	616	Normal	-
		ANA	3	Payables to related parties	31,941	60-90 days	-
		APL	3	Sales	902	30 days	-
		AAU	3	Sales	185	Normal	-
		ASG	3	Purchase	2	Normal	-
		ASG	3	Sales	43	Normal	-
		AiSC	3	Sales	707	Normal	-
		AKMC	3	Sales	88	Normal	-
		DLoG	3	Sales	269	Normal	-
3	ACN	Advantech Co., Ltd.	2	Sales	2,363	Normal	-
		Advantech Co., Ltd.	2	Receivables from related parties	2,228	30 days	-
		Advantech Co., Ltd.	2	Purchase	1,485,575	Normal	9
		Advantech Co., Ltd.	2	Payables to related parties	428,197	45 days	2
		Advantech Co., Ltd.	2	Other expense	41,845	Normal	-
		ANA	3	Purchase	763	Normal	-
		AHK	3	Sales	18	Every two months	-
		AHK	3	Receivables from related parties	5,782	60-90 days	-
		AKMC	3	Purchase	31,783	Normal	-
		ANA	3	Payables to related parties	517	Prompt collection	-
		AKMC	3	Payables to related parties	7,482	60-90 days	-
		AKMC	3	Sales	10,027	Normal	-
		AKMC	3	Rental expense	2,787	Normal	-
		AKMC	3	Receivables from related parties	1,189	60-90 days	-
		AKMC	3	Interest revenue	599	Normal	-
		SHHQ	3	Interest expense	158	Normal	-
		AXA	3	Receivables from related parties	9,203	Prompt collection	-
		AXA	3	Purchase	10,968	25th of every month	-
		AXA	3	Payables to related parties	158	25th of every month	-
		AiSC	3	Interest expense	1,194	60 days	-
		AiSC	3	Receivables from related parties	132,478	25th of every month	1
		AiSC	3	Sales	166,660	Normal	1
		AiSC	3	Purchase	127,851	Normal	1
		AiSC	3	Payables to related parties	180,618	25th of every month	1
		AAU	3	Receivables from related parties	876	30th of every month	-
		AAU	3	Sales	1,287	Normal	-

(Continued)

Number (Note A)	Company Name	Counter Party	Flow of Transaction (Note B)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% to Consolidated Assets/Revenue (Note C)
		ASZ (ACN)	3	Receivables from related parties	\$ 2,495	45 days	-
		AJP	3	Sales	73	Normal	-
		AKR	3	Sales	37	Normal	-
		ABJ (ACN)	3	Receivables from related parties	523	45 days	-
		BCM Embedded Computer Inc.	3	Receivables from related parties	1,805	Normal	-
		AEU	3	Receivables from related parties	267	60-90 days	-
		AEU	3	Sales	953	Normal	-
	ASZ (ACN)	ACN	3	Payables to related parties	2,495	45 days	-
	ABJ (ACN)	ACN	3	Payables to related parties	523	45 days	-
	ACN	AESC	3	Payables to related parties	845	30 days after invoice date	-
4	ATC	Advantech Co., Ltd.	2	Receivables from related parties	1,000,772	60 days	6
		Advantech Co., Ltd.	2	Royalty expense	202,270	Normal	1
		Advantech Co., Ltd.	2	Sales	4,049,125	Normal	24
		AKMC	3	Purchase	3,718,722	Normal	22
		AKMC	3	Payables to related parties	210,951	60-90 days	1
		AKMC	3	Sales	103,189	Normal	1
		AKMC	3	Receivables from related parties	17,310	60-90 days	-
		ANA	3	Purchase	1,598	Normal	-
		ANA	3	Payables to related parties	120	60-90 days	-
		ADL	3	Payables to related parties	8,142	7 days after invoice date	-
5	AKMC	Advantech Co., Ltd.	2	Purchase	337,961	Normal	2
		Advantech Co., Ltd.	2	Payables to related parties	64,489	45 days	-
		Advantech Co., Ltd.	2	Receivables from related parties	88	60 days	-
		ACN	3	Purchase	10,027	Normal	-
		ACN	3	Rental revenue	2,787	Normal	-
		ACN	3	Sales	31,783	Normal	-
		ACN	3	Receivables from related parties	7,482	60-90 days	-
		ACN	3	Payables to related parties	1,189	60-90 days	-
		ACN	3	Interest expense	599	Normal	-
		AESC	3	Payables to related parties	110	Normal	-
		ATC	3	Payables to related parties	17,310	60-90 days	-
		ATC	3	Sales	3,718,722	Normal	22
		ATC	3	Purchase	103,189	Normal	1
		ATC	3	Receivables from related parties	210,951	60-90 days	1
		ANA	3	Receivables from related parties	65	60-90 days	-
		AiSC	3	Receivables from related parties	46,093	Prompt collection	-
		AiSC	3	Sales	257,392	Normal	2
		AESC	3	Purchase	88	Normal	-
		AiSC	3	Purchase	3,692	Normal	-
		AiSC	3	Payables to related parties	532	30 days	-
		AJP	3	Payables to related parties	116	45 days	-
		ANA	3	Payables to related parties	184,434	30 days after invoice date	1
		ANA	3	Interest expense	2,239	30 days	-
		APL	3	Purchase	5	Normal	-
		APL	3	Payables to related parties	5	Per quarter	-

(Continued)

Number (Note A)	Company Name	Counter Party	Flow of Transaction (Note B)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% to Consolidated Assets/Revenue (Note C)
		Netstar Technology Co., Ltd.	3	Receivables from related parties	\$ 59,415	Per quarter	-
		Netstar Technology Co., Ltd.	3	Sales	201,326	Per quarter	1
		Netstar Technology Co., Ltd.	3	Purchase	24,236	Every two months	-
		Netstar Technology Co., Ltd.	3	Payables to related parties	3,519	Every two months	-
		Advansus Corp.	3	Receivables from related parties	3,654	Prompt collection	-
		Advansus Corp.	3	Payables to related parties	225,656	60-90 days	1
		Advansus Corp.	3	Sales	19,123	Normal	-
		Advansus Corp.	3	Purchase	1,121,253	Normal	7
6	APL	Advantech Co., Ltd.	2	Purchase	8,932	Normal	-
		Advantech Co., Ltd.	2	Sales	17	Normal	-
		Advantech Co., Ltd.	2	Payables to related parties	4,373	45 days	-
		Advantech Co., Ltd.	2	Receivables from related parties	123	30 days after invoice date	-
		AKMC	3	Receivables from related parties	5	Per quarter	-
		AESC	3	Payables to related parties	781	30 days	-
		AESC	3	Receivables from related parties	27,467	30 days after invoice date	-
		AESC	3	Sales	33,469	Normal	-
		AKMC	3	Sales	5	Normal	-
		AESC	3	Purchase	902	30 days	-
7	AEU	ACN	3	Payables to related parties	267	60-90 days	-
		ACN	3	Purchase	953	Normal	-
		ADL	3	Receivables from related parties	86,594	30 days after invoice date	-
		ADL	3	Interest revenue	2,654	Normal	-
8	ADL	Advantech Co., Ltd.	2	Receivables from related parties	81	30 days	-
		Advantech Co., Ltd.	2	Payables to related parties	661	30 days	-
		ADL	3	Other revenue	40	Normal	-
		ADL	3	Other expense	40	Normal	-
		ATC	3	Receivables from related parties	8,142	7 days after invoice date	-
		AESC	3	Commission revenue	171,017	Normal	1
		AESC	3	Purchase	8,430	Normal	-
		ADL	3	Payables to related parties	24,773	30 days after invoice date	-
		ADL	3	Receivables from related parties	24,773	30 days after invoice date	-
		AESC	3	Receivables from related parties	(23,031)	30 days after invoice date	-
		AESC	3	Payables to related parties	44,604	30 days after invoice date	-
		AEU	3	Payables to related parties	86,594	30 days after invoice date	-
		AEU	3	Interest expense	2,654	Normal	-
9	ASG	Advantech Co., Ltd.	2	Receivables from related parties	103	60-90 days	-
		Advantech Co., Ltd.	2	Purchase	104,191	Normal	1
		Advantech Co., Ltd.	2	Payables to related parties	19,868	60-90 days	-
		Advantech Co., Ltd.	2	Sales	11	Normal	-
		AMY	3	Receivables from related parties	281	30 days	-
		AMY	3	Sales	4,132	Normal	-
		AMY	3	Purchase	41	Normal	-
		AMY	3	Other expense	52	Normal	-

(Continued)

Number (Note A)	Company Name	Counter Party	Flow of Transaction (Note B)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% to Consolidated Assets/Revenue (Note C)
		AASC AESC AASC ANA AESC	3 3 3 3 3	Receivables from related parties Sales Sales Purchase Purchase	\$ 117 2 115 218 43	Normal Normal Normal Normal Normal	- - - - -
10	AJP	Advantech Co., Ltd. Advantech Co., Ltd. Advantech Co., Ltd. Advantech Co., Ltd. ANA AESC AKMC ACN AESC	2 2 2 2 3 3 3 3 3	Sales Purchase Payables to related parties Other expense Purchase Payables to related parties Receivables from related parties Purchase Purchase	10 281,474 43,556 4,954 12 15 116 73 11	Normal Normal 60-90 days Normal Normal 30 days 45 days Normal Normal	- 2 - - - - - - -
11	AAU	Advantech Co., Ltd. Advantech Co., Ltd. Advantech Co., Ltd. AESC ANA ANA ANA ACN ACN	2 2 2 3 3 3 3 3 3	Purchase Payables to related parties Sales Purchase Purchase Payables to related parties Receivables from related parties Payables to related parties Purchase	109,481 22,896 60 185 123 3 501 876 1,287	Normal 60-90 days Normal Normal Normal 60-90 days 30 days after invoice date 30th of every month Normal	1 - - - - - - - -
12	Advansus Corp.	Advantech Co., Ltd. Advantech Co., Ltd. Advantech Co., Ltd. Advantech Co., Ltd. Advantech Co., Ltd. Advantech Co., Ltd. AKMC AKMC AKMC AKMC BCM Embedded Computer Inc. BCM Embedded Computer Inc.	2 2 2 2 2 2 3 3 3 3 3 3	Sales Receivables from related parties Purchase Payables to related parties Rental expense Other expense Payables to related parties Purchase Receivables from related parties Sales Receivables from related parties Sales	1,395,566 207,589 12,360 2,479 5,265 8,259 3,654 19,123 225,656 1,121,253 4,746 52,899	Normal 60-90 days Normal 60-90 days Normal Normal Prompt payment Normal 60-90 days Normal 60-90 days Normal	8 1 - - - - - - 1 7 - -
13	Advantech Fund - A	Advantech Co., Ltd. Advantech Co., Ltd. Advantech Co., Ltd. Advantech Co., Ltd. Netstar Technology Co., Ltd.	2 2 2 2 3	Rental expense Interest revenue Receivables from related parties Payables to related parties Interest revenue	27 436 180,000 6 550	Normal Normal Normal Prompt payment Per quarter	- - 1 - -

(Continued)

Number (Note A)	Company Name	Counter Party	Flow of Transaction (Note B)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% to Consolidated Assets/Revenue (Note C)
14	AMY	Advantech Co., Ltd.	2	Purchase	\$ 26,800	Normal	-
		Advantech Co., Ltd.	2	Payables to related parties	7,848	45 days	-
		Advantech Co., Ltd.	2	Receivables from related parties	643	Normal	-
		ASG	3	Payables to related parties	281	30 days	-
		ASG	3	Other revenue	52	Normal	-
		ASG	3	Purchase	4,132	Normal	-
		ANA	3	Purchase	117	60 days	-
		ASG	3	Sales	41	Normal	-
15	SHHQ	ACN	3	Interest revenue	158	Normal	-
16	Netstar Technology Co., Ltd.	Advantech Co., Ltd.	2	Sales	52,179	Normal	-
		Advantech Co., Ltd.	2	Purchase	3,851	Normal	-
		Advantech Co., Ltd.	2	Receivables from related parties	12,776	60 days	-
		Advantech Co., Ltd.	2	Payables to related parties	278	25th of every quarter	-
		Advantech Co., Ltd.	2	Other expense	640	Normal	-
		Advantech Fund - A	3	Interest expense	550	Per quarter	-
		Broadwin Technology, Inc.	3	Interest expense	550	Per quarter	-
		Broadwin Technology, Inc.	3	Payables to related parties	35,175	Per quarter	-
		Lansonic	3	Receivables from related parties	3,676	60 days	-
		Netstar Electronics Corporation	3	Receivables from related parties	67,521	60 days	-
		AKMC	3	Receivables from related parties	3,519	Every two months	-
		AKMC	3	Sales	24,236	Every two months	-
		AKMC	3	Payables to related parties	59,415	Per quarter	-
		AKMC	3	Purchase	201,326	Per quarter	1
17	Jan Hsiang	Advantech Co., Ltd.	2	Sales	17,826	Normal	-
		Advantech Co., Ltd.	2	Receivables from related parties	1,767	60 days	-
18	AYS	Advantech Co., Ltd.	2	Receivables from related parties	22,993	90 days	-
19	BCM Embedded Computer Inc.	Advantech Co., Ltd.	2	Rental expense	585	Normal	-
		Advantech Co., Ltd.	2	Payables to related parties	77	30 days	-
		Advantech Co., Ltd.	2	Purchase	681	Normal	-
		Advantech Co., Ltd.	2	Receivables from related parties	86	30 days	-
		Advantech Co., Ltd.	2	Sales	504	Normal	-
		ACN	3	Payables to related parties	1,805	60 days	-
		AiSC	3	Payables to related parties	860	60 days	-
		Advansus Corp.	3	Payables to related parties	4,746	60-90 days	-
		Advansus Corp.	3	Purchase	52,899	Normal	-

(Continued)

Number (Note A)	Company Name	Counter Party	Flow of Transaction (Note B)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% to Consolidated Assets/Revenue (Note C)
20	Broadwin Technology, Inc.	Advantech Co., Ltd.	2	Purchase	\$ 2,158	Normal	-
		Advantech Co., Ltd.	2	Receivables from related parties	417	60 days	-
		Advantech Co., Ltd.	2	Sales	697	Normal	-
		Advantech Co., Ltd.	2	Payables to related parties	1,576	60 days	-
		Advantech Co., Ltd.	2	Other expense	560	Normal	-
		Netstar Technology Co., Ltd.	3	Interest revenue	550	Per quarter	-
		Netstar Technology Co., Ltd.	3	Receivables from related parties	35,175	Per quarter	-
21	AHK	Advantech Co., Ltd.	2	Receivables from related parties	4	60 days	-
		Advantech Co., Ltd.	2	Payables to related parties	12	60 days	-
		ACN	3	Payables to related parties	5,782	60-90 days	-
		ACN	3	Purchase	18	Normal	-
		AISC	3	Payables to related parties	13,336	30 days	-
22	AiSC	Advantech Co., Ltd.	2	Purchase	1,140,951	Normal	7
		Advantech Co., Ltd.	2	Payables to related parties	253,310	60 days	1
		Advantech Co., Ltd.	2	Receivables from related parties	103	45 days	-
		AKMC	3	Sales	3,692	Normal	-
		AKMC	3	Purchase	257,392	Normal	2
		AKMC	3	Payables to related parties	46,093	Prompt payment	-
		AKMC	3	Receivables from related parties	532	30 days	-
		AESC	3	Purchase	707	Normal	-
		BCM Embedded Computer Inc.	3	Receivables from related parties	860	45 days	-
		ACN	3	Interest revenue	1,194	60 days	-
		ACN	3	Sales	127,851	Normal	1
		ACN	3	Receivables from related parties	180,618	25th of every month	1
		ACN	3	Purchase	166,660	Normal	1
		ACN	3	Payables to related parties	132,478	25th of every month	1
		Hangzhou Advantofine Automation tech. Co., Ltd.	3	Receivables from related parties	14,951	Prompt collection	-
		Hangzhou Advantofine Automation tech. Co., Ltd.	3	Sales	39,749	Normal	-
		AHK	3	Receivables from related parties	13,336	30 days	-
23	Hangzhou Advantofine Automation tech. Co., Ltd.	AISC	3	Payables to related parties	14,951	Prompt payment	-
		AISC	3	Purchase	39,749	Normal	-
24	AXA	ACN	3	Receivables from related parties	158	25th of every month	-
		ACN	3	Sales	10,968	Normal	-
		ACN	3	Payables to related parties	9,203	Prompt payment	-
25	ABR	Advantech Co., Ltd.	2	Purchase	59,746	Normal	-
		Advantech Co., Ltd.	2	Receivables from related parties	27	Normal	-
		Advantech Co., Ltd.	2	Other expense	447	Normal	-
		Advantech Co., Ltd.	2	Payables to related parties	14,269	90 days	-

(Continued)

Number (Note A)	Company Name	Counter Party	Flow of Transaction (Note B)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% to Consolidated Assets/Revenue (Note C)
26	Netstar Electronics Corporation	Netstar Technology Co., Ltd.	3	Payables to related parties	\$ 67,521	Per month	-
27	Cermate	Advantech Co., Ltd.	2	Payables to related parties	126	Every 6 months (June and December)	-
		Advantech Co., Ltd.	2	Sales	10,361	Normal	-
		Advantech Co., Ltd.	2	Receivables from related parties	1,472	Every 6 months (June and December)	-
		Advantech Co., Ltd.	2	Other expense	280	Normal	-
		Cermate (Shenzhen)	3	Purchase	4,854	Normal	-
		Cermate (Shenzhen)	3	Payables to related parties	1,617	60 days	-
		Cermate (Shenzhen)	3	Receivables from related parties	14,085	30 days	-
		Cermate (Shenzhen)	3	Sales	39,154	Normal	-
28	AKR	Advantech Co., Ltd.	2	Purchase	276,904	Normal	2
		Advantech Co., Ltd.	2	Payables to related parties	80,484	Prompt payment	-
		Advantech Co., Ltd.	2	Interest expense	21	Normal	-
		Advantech Co., Ltd.	2	Other expense	15,923	Normal	-
		ACN	3	Purchase	37	Normal	-
29	DLoG	Advantech Co., Ltd.	2	Purchase	836	Normal	-
		Advantech Co., Ltd.	2	Payables to related parties	503	30 days	-
		AESC	3	Purchase	269	Normal	-
		AESC	3	Payables to related parties	275	30 days	-
30	Cermate (Shenzhen)	Cermate	3	Receivables from related parties	1,617	60 days	-
		Cermate	3	Sales	4,854	Normal	-
		Cermate	3	Purchase	39,154	Normal	-
		Cermate	3	Payables to related parties	14,085	30 days	-
		Cermate (Shanghai)	3	Sales	21,472	Normal	-
		Cermate (Shanghai)	3	Purchase	156	Normal	-
31	Cermate (Shanghai)	Cermate (Shenzhen)	3	Purchase	21,472	Normal	-
		Cermate (Shenzhen)	3	Sales	156	Normal	-
32	AiST	Advantech Co., Ltd.	2	Interest revenue	48	Normal	-
		Advantech Co., Ltd.	2	Receivables from related parties	20,000	Normal	-
33	Lansonic	Netstar Technology Co., Ltd.	3	Payables to related parties	3,676	60 days	-

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Number (Note A)	Company Name	Counter Party	Flow of Transaction (Note B)	Transaction Details			% to Consolidated Assets/Revenue (Note C)
				Financial Statement Account	Amount	Payment Terms	
0	Advantech Co., Ltd.	AESC	1	Sales	\$ 1,010,349	Normal	13
		AESC	1	Accounts receivable - related parties	402,485	30 days	3
		AESC	1	Purchase	1,301	Normal	-
		AESC	1	Accounts payable - related parties	1	30 days	-
		ACN	1	Sales	1,401,000	Normal	18
		ACN	1	Accounts receivable - related parties	302,612	45 days	2
		ACN	1	Purchase	3,577	Normal	-
		ACN	1	Accounts payable - related parties	1,487	30 days	-
		ATC	1	Purchase	2,684,727	Normal	35
		ATC	1	Accounts payable - related parties	814,782	60 days	5
		ATC	1	Royalty revenue	134,053	Normal	2
		AKMC	1	Sales	87,205	Normal	1
		AKMC	1	Accounts receivable - related parties	92,554	45 days	1
		AKMC	1	Accounts payable - related parties	24	60 days	-
		AAU	1	Sales	78,636	Normal	1
		AAU	1	Accounts receivable - related parties	13,367	60-90 days	-
		AAU	1	Purchase	42	Normal	-
		ASG	1	Sales	47,791	Normal	1
		ASG	1	Accounts receivable - related parties	7,188	60-90 days	-
		ASG	1	Purchase	773	Normal	-
		ASG	1	Accounts payable - related parties	843	60-90 days	-
		AJP	1	Sales	140,563	Normal	2
		AJP	1	Accounts receivable - related parties	30,116	60-90 days	-
		AJP	1	Accounts payable - related parties	37	60-90 days	-
		AJP	1	Purchase	103	Normal	-
		Advansus Corp.	1	Sales	7,218	Normal	-
		Advansus Corp.	1	Accounts receivable - related parties	6,023	60-90 days	-
		Advansus Corp.	1	Purchase	787,613	Normal	10
		Advansus Corp.	1	Accounts payable - related parties	101,081	60-90 days	1
		Advansus Corp.	1	Rental revenue	5,265	Normal	-
		Advansus Corp.	1	Other revenue	8,679	Normal	-
		Advansus Corp.	1	Rental expense	9,959	Normal	-
		AIMS	1	Rental revenue	150	Normal	-
		AIMS	1	Other revenue	11	Normal	-
		BCM Embedded Computer Inc.	1	Rental revenue	585	Normal	-
		BCM Embedded Computer Inc.	1	Accounts receivable - related parties	334	30 days	-
		BCM Embedded Computer Inc.	1	Accounts payable - related parties	90	30 days	-
		BCM Embedded Computer Inc.	1	Purchase	440	Normal	-
		BCM Embedded Computer Inc.	1	Sales	398	Normal	-
		Advantech Fund - A	1	Rental revenue	27	Normal	-
		Advantech Fund - A	1	Accounts receivable - related parties	3	5th of every month	-
		Broadwin Technology, Inc.	1	Sales	2,570	Normal	-
		Broadwin Technology, Inc.	1	Accounts receivable - related parties	1,115	60 days	-
		Broadwin Technology, Inc.	1	Purchase	402	Normal	-

(Continued)

Number (Note A)	Company Name	Counter Party	Flow of Transaction (Note B)	Transaction Details			% to Consolidated Assets/Revenue (Note C)
				Financial Statement Account	Amount	Payment Terms	
		ADL	1	Purchase	\$ 75	Normal	-
		ADL	1	Accounts receivable - related parties	355	30 days	-
		ADL	1	Accounts payable - related parties	252	30 days	-
		AMY	1	Sales	13,241	Normal	-
		AMY	1	Accounts receivable - related parties	1,557	45 days	-
		AMY	1	Purchase	60	Normal	-
		APL	1	Sales	8,025	Normal	-
		APL	1	Accounts receivable - related parties	5,451	45 days	-
		APL	1	Accounts payable - related parties	1,328	30 days after invoice date	-
		APL	1	Purchase	8	Normal	-
		Netstar Technology Co., Ltd.	1	Purchase	33,132	Normal	-
		Netstar Technology Co., Ltd.	1	Accounts payable - related parties	10,348	60 days	-
		Netstar Technology Co., Ltd.	1	Sales	17	90 days	-
		Jan Hsiang	1	Accounts receivable - related parties	3	Normal	-
		Jan Hsiang	1	Purchase	12,374	Normal	-
		Jan Hsiang	1	Accounts payable - related parties	1,891	60 days	-
		Jan Hsiang	1	Sales	18	Normal	-
		AYS	1	Purchase	114,948	Normal	2
		AYS	1	Accounts payable - related parties	23,148	90 days	-
		AiSC	1	Sales	731,930	Normal	10
		AiSC	1	Accounts receivable - related parties	265,194	45 days	2
		ADMC	1	Sales	2	Normal	-
		ANA	1	Sales	1,681,846	Normal	22
		ANA	1	Purchase	32,028	Normal	-
		ANA	1	Accounts receivable - related parties	1,681	45 days	-
		ANA	1	Accounts payable - related parties	2,140	45 days	-
		AHK	1	Purchase	373	Normal	-
		AHK	1	Accounts receivable - related parties	51	45 days	-
		ABR	1	Accounts receivable - related parties	16,945	90 days	-
		ABR	1	Sales	64,904	Normal	1
1	ANA	Advantech Co., Ltd.	2	Sales	32,028	Normal	-
		Advantech Co., Ltd.	2	Accounts receivable - related parties	2,140	45 days	-
		Advantech Co., Ltd.	2	Purchase	1,681,846	Normal	22
		Advantech Co., Ltd.	2	Accounts payable - related parties	1,681	45 days	-
		ASG	3	Sales	235	Normal	-
		AEU	3	Sales	2,612	Normal	-
		AESC	3	Sales	4,929	Normal	1
		AESC	3	Accounts receivable - related parties	91,036	60-90 days	-
		AESC	3	Purchase	2,472	Normal	-
		AESC	3	Interest revenue	1,328	Normal	-
		ATC	3	Accounts receivable - related parties	263	60-90 days	-
		ATC	3	Sales	748	Normal	-
		AAU	3	Sales	125	Normal	-
		AAU	3	Accounts receivable - related parties	110	60-90 days	-
		ACN	3	Sales	1,114	Normal	1

(Continued)

Number (Note A)	Company Name	Counter Party	Flow of Transaction (Note B)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% to Consolidated Assets/Revenue (Note C)
		AKMC	3	Accounts receivable - related parties	\$ 96,495	30 days after invoice date	-
		AKMC	3	Interest revenue	1,026	Per quarter	-
		AKL	3	Sales	22	Normal	-
		AJP	3	Sales	254	Normal	-
		Advansus Corp.	3	Purchase	1,169	Normal	-
2	AESC	Advantech Co., Ltd.	2	Sales	1,301	Normal	-
		Advantech Co., Ltd.	2	Accounts receivable - related parties	1	30 days	-
		Advantech Co., Ltd.	2	Purchase	1,010,349	Normal	13
		Advantech Co., Ltd.	2	Accounts payable - related parties	402,485	30 days	3
		ADL	3	Sales	10,382	Normal	-
		ADL	3	Commission expense	299,196	Normal	4
		ADL	3	Accounts receivable - related parties	38,421	30 days after invoice date	-
		ADL	3	Accounts payable - related parties	11,882	30 days after invoice date	-
		APL	3	Purchase	32,458	Normal	-
		APL	3	Accounts receivable - related parties	74	30 days	-
		APL	3	Accounts payable - related parties	19,080	30 days after invoice date	-
		AJP	3	Sales	7	Normal	-
		ANA	3	Sales	2,472	Normal	-
		ANA	3	Purchase	4,929	Normal	-
		ANA	3	Interest expense	1,328	Normal	-
		ANA	3	Accounts payable - related parties	91,036	60-90 days	1
		AAU	3	Sales	21	Normal	-
		ASG	3	Purchase	53	Normal	-
		ASG	3	Accounts payable - related parties	21	30 days	-
		AiSC	3	Sales	2,381	Normal	-
		ACN	3	Sales	963	Normal	-
3	ACN	Advantech Co., Ltd.	2	Sales	3,577	Normal	-
		Advantech Co., Ltd.	2	Accounts receivable - related parties	1,487	30 days	-
		Advantech Co., Ltd.	2	Purchase	1,401,000	Normal	18
		Advantech Co., Ltd.	2	Accounts payable - related parties	302,612	45 days	2
		ANA	3	Purchase	1,114	Normal	-
		AHK	3	Sales	11	30 days after next month	-
		AHK	3	Accounts receivable - related parties	5,828	60-90 days	-
		AKMC	3	Purchase	18,620	Normal	-
		AKMC	3	Accounts payable - related parties	5,393	60-90 days	-
		AKMC	3	Sales	9,926	Normal	-
		AKMC	3	Rental expense	2,890	Normal	-
		AKMC	3	Accounts receivable - related parties	97,196	60-90 days	1
		AKMC	3	Interest revenue	1,675	Normal	-
		Hangzhou Advantofine Automation Tech. Co., Ltd.	3	Sales discount	1,941	Normal	-
		SHHQ	3	Accounts receivable - related parties	323	60-90 days	-
		SHHQ	3	Sales	70,676	Normal	1
		SHHQ	3	Purchase	50	Normal	-
		SHHQ	3	Interest expense	629	Normal	-
		SHHQ	3	Accounts payable - related parties	51,245	60-90 days	-

(Continued)

Number (Note A)	Company Name	Counter Party	Flow of Transaction (Note B)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% to Consolidated Assets/Revenue (Note C)
		AXA	3	Accounts receivable - related parties	\$ 13,059	Prompt collection	-
		AXA	3	Accounts payable - related parties	35	90 days after invoice date	-
		AiSC	3	Interest expense	335	60 days	-
		AiSC	3	Accounts receivable - related parties	80,839	25th of every month	1
		AiSC	3	Sales	190,922	Normal	3
		AiSC	3	Purchase	57,167	Normal	1
		AiSC	3	Accounts payable - related parties	92,805	25th of every month	1
		AAU	3	Accounts receivable - related parties	708	30th of every month	-
		AAU	3	Sales	3,119	Normal	-
		AAC(BVI)	3	Dividend payable	2,024	Prompt payment	-
		AEU	3	Accounts receivable - related parties	1,112	60-90 days	-
		AEU	3	Sales	2,232	Normal	-
		BCM Embedded Computer Inc.	3	Accounts receivable - related parties	1,888	Prompt collection	-
		AESC	3	Purchase	963	Normal	-
4	ATC	Advantech Co., Ltd.	2	Accounts receivable - related parties	814,782	60 days	5
		Advantech Co., Ltd.	2	Royalty expense	134,053	Normal	2
		Advantech Co., Ltd.	2	Sales	2,684,727	Normal	35
		AKMC	3	Purchase	2,176,562	Normal	29
		AKMC	3	Accounts payable - related parties	280,651	60-90 days	2
		AKMC	3	Sales	21,338	Normal	-
		AKMC	3	Accounts receivable - related parties	20,619	60-90 days	-
		ANA	3	Purchase	748	Normal	-
		ANA	3	Accounts payable - related parties	263	60-90 days	-
		ADL	3	Purchase	6,163	Normal	-
		ADL	3	Accounts payable - related parties	6,235	7 days after invoice date	-
5	AKMC	Advantech Co., Ltd.	2	Purchase	87,205	Normal	1
		Advantech Co., Ltd.	2	Accounts payable - related parties	92,554	45 days	1
		Advantech Co., Ltd.	2	Accounts receivable - related parties	24	60 days	-
		ACN	3	Purchase	9,926	Normal	-
		ACN	3	Rental revenue	2,890	Normal	-
		ACN	3	Sales	18,620	Normal	-
		ACN	3	Accounts receivable - related parties	5,393	60-90 days	-
		ACN	3	Accounts payable - related parties	97,196	60-90 days	1
		ACN	3	Interest expense	1,675	Normal	-
		AAU	3	Sales	304	Normal	-
		ADMC	3	Sales	1,132	Normal	-
		ATC	3	Accounts payable - related parties	20,619	60-90 days	-
		ATC	3	Sales	2,176,562	Normal	29
		ATC	3	Purchase	21,338	Normal	-
		ATC	3	Accounts receivable - related parties	280,651	60-90 days	2
		AiSC	3	Accounts receivable - related parties	22,146	Prompt collection	-
		AiSC	3	Sales	98,778	Normal	1
		AiSC	3	Purchase	2,353	Normal	-
		AiSC	3	Accounts payable - related parties	1,236	30 days	-

(Continued)

Number (Note A)	Company Name	Counter Party	Flow of Transaction (Note B)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% to Consolidated Assets/Revenue (Note C)
		ANA	3	Accounts payable - related parties	\$ 96,495	30 days after invoice date	1
		ANA	3	Interest expense	1,026	Per quarter	-
		Netstar Electronics Corporation	3	Sales	35	Normal	-
		Netstar Electronics Corporation	3	Accounts receivable - related parties	39	Normal	-
		Netstar Electronics Corporation	3	Accounts payable - related parties	196	30 days after next month	-
		Advansus Corp.	3	Accounts receivable - related parties	3	Normal	-
		Advansus Corp.	3	Accounts payable - related parties	188,937	Normal	1
		Advansus Corp.	3	Sales	3	Normal	-
		Advansus Corp.	3	Purchase	949,882	Normal	13
6	ADMC	Advantech Co., Ltd.	2	Purchase	2	Normal	-
		AYS	3	Sales	111,867	Normal	1
		AYS	3	Accounts receivable - related parties	15,084	60-90 days	-
		AKMC	3	Purchase	1,132	Normal	-
7	APL	Advantech Co., Ltd.	2	Purchase	8,025	Normal	-
		Advantech Co., Ltd.	2	Sales	8	Normal	-
		Advantech Co., Ltd.	2	Accounts payable - related parties	5,451	45 days	-
		Advantech Co., Ltd.	2	Accounts receivable - related parties	1,328	30 days after invoice date	-
		AESC	3	Sales	32,458	Normal	-
		AESC	3	Accounts payable - related parties	74	Normal	-
		AESC	3	Accounts receivable - related parties	19,080	30 days after invoice date	-
8	AEU	ACN	3	Accounts payable - related parties	1,112	60-90 days	-
		ACN	3	Purchase	2,232	Normal	-
		ANA	3	Purchase	2,612	Normal	-
		ADL	3	Accounts receivable - related parties	95,399	30 days after invoice date	1
		ADL	3	Interest revenue	2,438	30 days after invoice date	-
9	ADL	Advantech Co., Ltd.	2	Sales	75	Normal	-
		Advantech Co., Ltd.	2	Accounts receivable - related parties	252	30 days	-
		Advantech Co., Ltd.	2	Accounts payable - related parties	355	30 days	-
		ATC	3	Sales	6,163	Normal	-
		ATC	3	Accounts receivable - related parties	6,235	7 days after invoice date	-
		AESC	3	Commission revenue	299,196	Normal	4
		AESC	3	Purchase	10,382	Normal	-
		AESC	3	Accounts receivable - related parties	11,882	30 days after invoice date	-
		AESC	3	Accounts payable - related parties	38,421	30 days after invoice date	-
		AEU	3	Accounts payable - related parties	95,399	30 days after invoice date	1
		AEU	3	Interest expense	2,438	30 days after invoice date	-
10	ASG	Advantech Co., Ltd.	2	Accounts receivable - related parties	843	60-90 days	-
		Advantech Co., Ltd.	2	Purchase	47,791	Normal	1
		Advantech Co., Ltd.	2	Accounts payable - related parties	7,188	60-90 days	-
		Advantech Co., Ltd.	2	Sales	773	Normal	-
		AMY	3	Accounts receivable - related parties	200	30 days	-
		AMY	3	Sales	823	Normal	-
		AMY	3	Purchase	7	Normal	-

(Continued)

Number (Note A)	Company Name	Counter Party	Flow of Transaction (Note B)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% to Consolidated Assets/Revenue (Note C)
		AESC AESC AAU ANA	3 3 3 3	Accounts receivable - related parties Sales Sales Purchase	\$ 21 53 1,472 235	30 days Normal Normal Normal	- - - -
11	AJP	Advantech Co., Ltd. Advantech Co., Ltd. Advantech Co., Ltd. Advantech Co., Ltd. ANA AESC	2 2 2 2 3 3	Sales Accounts receivable - related parties Purchase Accounts payable - related parties Purchase Purchase	103 37 140,563 30,116 254 7	Normal 60-90 days Normal 60-90 days Normal Normal	- - 2 - - -
12	AAU	Advantech Co., Ltd. Advantech Co., Ltd. Advantech Co., Ltd. AKMC AESC ANA ANA AMY ASG ACN ACN	2 2 2 3 3 3 3 3 3 3 3 3	Purchase Accounts payable - related parties Sales Purchase Purchase Purchase Accounts payable - related parties Purchase Purchase Accounts payable - related parties Purchase	78,636 13,367 42 304 21 125 110 23 1,472 708 3,119	Normal 60-90 days Normal Normal Normal Normal 60-90 days Normal Normal 30th of every month Normal	1 - - - - - - - - - -
13	Advansus Corp.	Advantech Co., Ltd. Advantech Co., Ltd. Advantech Co., Ltd. Advantech Co., Ltd. Advantech Co., Ltd. Advantech Co., Ltd. Advantech Co., Ltd. Advantech Co., Ltd. ANA AKMC AKMC AKMC AKMC Netstar Technology Co., Ltd. BCM Embedded Computer Inc. BCM Embedded Computer Inc. 智翔公司	2 2 2 2 2 2 2 2 3 3 3 3 3 3 3 3 3	Sales Accounts receivable - related parties Purchase Accounts payable - related parties Rental expense Rental revenue Other expense Sales Accounts payable - related parties Purchase Accounts receivable - related parties Sales Sales Accounts receivable - related parties Sales Sales	787,613 101,081 7,218 6,023 5,265 9,959 8,679 1,169 3 3 188,937 949,882 1,009 4,571 25,966 47	Normal 60-90 days Normal 60-90 days Normal Normal Normal Normal 60-90 days Normal 60-90 days Normal Normal 60-90 days Normal Normal	10 1 - - - - - - - - - 1 13 - - - -
14	AIMS	Advantech Co., Ltd. Advantech Co., Ltd.	2 2	Rental expense Other expense	150 11	Normal Normal	- -

(Continued)

Number (Note A)	Company Name	Counter Party	Flow of Transaction (Note B)	Transaction Details			% to Consolidated Assets/Revenue (Note C)
				Financial Statement Account	Amount	Payment Terms	
15	Advantech Fund - A	Advantech Co., Ltd.	2	Rental expense	\$ 27	Normal	-
		Advantech Co., Ltd.	2	Accounts payable - related parties	3	5th of every month	-
		Netstar Technology Co., Ltd.	3	Interest revenue	506	Per quarter	-
		Netstar Technology Co., Ltd.	3	Accounts receivable - related parties	60,203	Per quarter	-
16	AMY	Advantech Co., Ltd.	2	Sales	60	Normal	-
		Advantech Co., Ltd.	2	Purchase	13,241	Normal	-
		Advantech Co., Ltd.	2	Accounts payable - related parties	1,557	45 days	-
		ASG	3	Accounts payable - related parties	200	30 days	-
		ASG	3	Sales	7	Normal	-
		AAU	3	Sales	23	Normal	-
		AHK	3	Accounts receivable - related parties	8,595	60 days	-
		AiSC	3	Accounts receivable - related parties	5,930	25th of every month	-
		AiSC	3	Accounts payable - related parties	33	60 days after invoice date	-
		ACN	3	Purchase	70,676	Normal	1
		ACN	3	Accounts payable - related parties	323	60-90 days	-
		BCM Embedded Computer Inc.	3	Accounts receivable - related parties	78	Prompt collection	-
		ACN	3	Accounts receivable - related parties	51,245	60-90 days	-
		ACN	3	Sales	50	Normal	-
ACN	3	Interest revenue	629	Normal	-		
17	Netstar Technology Co., Ltd.	Advantech Co., Ltd.	2	Sales	33,132	Normal	-
		Advantech Co., Ltd.	2	Purchase	17	90 days	-
		Advantech Co., Ltd.	2	Accounts receivable - related parties	10,348	60 days	-
		Advantech Fund - A	3	Interest expense	506	Per quarter	-
		Advantech Fund - A	3	Accounts payable - related parties	60,203	Per quarter	-
		Broadwin Technology, Inc.	3	Interest expense	400	Per quarter	-
		Broadwin Technology, Inc.	3	Accounts payable - related parties	40,200	Per quarter	-
		AKMC	3	Accounts receivable - related parties	196	30 days after next month	-
		Advansus Corp.	3	Purchase	47	Normal	-
18	Jan Hsiang	Advantech Co., Ltd.	2	Sales	12,374	Normal	-
		Advantech Co., Ltd.	2	Accounts receivable - related parties	1,891	60 days	-
		Advantech Co., Ltd.	2	Accounts payable - related parties	3	Normal	-
		Advantech Co., Ltd.	2	Purchase	18	Normal	-
19	AYS	Advantech Co., Ltd.	2	Sales	114,948	Normal	2
		Advantech Co., Ltd.	2	Accounts receivable - related parties	23,148	90 days	-
		ADMC	3	Purchase	111,867	Normal	1
		ADMC	3	Accounts payable - related parties	15,084	60-90 days	-
20	BCM Embedded Computer Inc.	Advantech Co., Ltd.	2	Rental expense	585	Normal	-
		Advantech Co., Ltd.	2	Accounts payable - related parties	334	30 days	-
		Advantech Co., Ltd.	2	Purchase	398	Normal	-
		Advantech Co., Ltd.	2	Accounts receivable - related parties	90	30 days	-
		Advantech Co., Ltd.	2	Sales	440	Normal	-

(Continued)

Number (Note A)	Company Name	Counter Party	Flow of Transaction (Note B)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% to Consolidated Assets/Revenue (Note C)
		ACN SHHQ AiSC Advansus Corp. Advansus Corp.	3 3 3 3 3	Accounts payable - related parties Accounts payable - related parties Accounts payable - related parties Accounts payable - related parties Purchase	\$ 1,888 78 855 4,571 25,966	Prompt payment Prompt payment Prompt payment 60-90 days Normal	- - - - -
21	Broadwin Technology, Inc.	Advantech Co., Ltd. Advantech Co., Ltd. Advantech Co., Ltd. Netstar Technology Co., Ltd. Netstar Technology Co., Ltd.	2 2 2 3 3	Purchase Sales Accounts payable - related parties Interest revenue Accounts receivable - related parties	2,570 402 1,115 400 40,200	Normal Normal 60 days Per quarter Per quarter	- - - - -
22	AHK	Advantech Co., Ltd. Advantech Co., Ltd. ACN ACN SHHQ AiSC	2 2 3 3 3 3	Sales Accounts payable - related parties Accounts payable - related parties Purchase Accounts payable - related parties Accounts payable - related parties	373 51 5,828 11 8,595 1,475	Normal 45 days 60-90 days Normal 60 days 30 days	- - - - - -
23	AiSC	Advantech Co., Ltd. Advantech Co., Ltd. AKMC AKMC AKMC AKMC SHHQ SHHQ AESC BCM Embedded Computer Inc. CAN ACN ACN ACN ACN Hangzhou Advantofine Automation Tech. Co., Ltd. Hangzhou Advantofine Automation Tech. Co., Ltd. AHK	2 2 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3	Purchase Accounts payable - related parties Sales Purchase Accounts payable - related parties Accounts receivable - related parties Accounts payable - related parties Accounts receivable - related parties Purchase Accounts receivable - related parties Interest revenue Sales Accounts receivable - related parties Purchase Accounts payable - related parties Accounts receivable - related parties Sales Accounts receivable - related parties	731,930 265,194 2,353 98,778 22,146 1,236 5,930 33 2,381 855 335 57,167 92,805 190,922 80,839 19,953 59,825 1,475	Normal 60 days Normal Normal Prompt payment 30 days 25th of every month 60 days after invoice date Normal Prompt collection 60 days Normal 25th of every month Normal 25th of every month 60 days after invoice date Normal 30 days	10 2 - 1 - - - - - - - 1 1 3 1 - 1 -
24	Hangzhou Advantofine Automation Tech. Co., Ltd.	ACN AiSC AiSC	3 3 3	Purchase discount Accounts payable - related parties Purchase	1,941 19,953 59,825	Normal 60 days after invoice date Normal	- - 1
25	AXA	ACN ACN	3 3	Accounts receivable - related parties Accounts payable - related parties	35 13,059	90 days after invoice date Prompt collection	- -

(Continued)

Number (Note A)	Company Name	Counter Party	Flow of Transaction (Note B)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% to Consolidated Assets/Revenue (Note C)
26	AAC(BVI)	ACN	3	Dividend receivables	\$ 2,024	Prompt collection	-
27	ABR	Advantech Co., Ltd. Advantech Co., Ltd.	2 2	Purchase Accounts payable -related parties	64,904 16,945	Prompt collection 90 days	1 -
28	AKL	ANA	3	Purchase	22	Normal	-
29	Netstar Electronics Corporation	Advansus AKMC AKMC	3 3 3	Purchase Purchase Accounts payable -related parties	1,009 35 39	Normal Normal Normal	- - -

Note A: The Parent Company and its subsidiaries are numbered as follows:

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

Note B: The flow of related-party transactions is as follows:

1. From the Parent Company to its subsidiary.
2. Subsidiary to its Parent Company, Advantech Co., Ltd.
3. Between subsidiaries.

Note C: For assets and liabilities, amount is shown as a percentage to consolidated total assets as of September 30, 2010 and 2009, respectively; while revenues, costs and expenses are shown as a percentage to consolidated total operating revenues for the nine months ended September 30, 2010 and 2009, respectively.

Note D: All intercompany transactions have been eliminated.

(Concluded)