

English Translations of Financial Statements Originally Issued in Chinese

PEGATRON CORPORATION

NON-CONSOLIDATED BALANCE SHEETS

June 30, 2009 and 2008

(Expressed in Thousands of New Taiwan Dollars)

ASSETS	2009	2008	LIABILITIES AND STOCKHOLDERS' EQUITY	2009	2008
CURRENT ASSETS			CURRENT LIABILITIES		
Cash and cash equivalents	\$9,481,337	\$5,693,111	Short-term loans	\$500,000	\$6,890,600
Financial assets at fair value through profit or loss-current	1,004,278	5,001	Notes and accounts payable	20,819,011	29,466,061
Notes and accounts receivable, net	15,600,176	20,405,469	Notes and accounts payable-related parties	2,481,140	18,447,672
Accounts receivable-related parties, net	12,251,778	9,271,884	Income tax payable	149,989	1,738
Other receivables, net	637,945	787,532	Accrued expenses	2,491,968	2,702,988
Other receivables-related parties, net	1,805,526	438,307	Accrued expenses-related parties	16,649,357	9,436,626
Inventories, net	9,563,199	28,499,411	Other payables	61,119	125,619
Prepayments	25,346	26,899	Dividends payable	942,314	-
Restricted assets-current	111,597	120,000	Receipts in advance	2,547,477	1,968,511
Other current assets	27,209	78,748	Other current liabilities	63,136	28,646
Deferred income tax assets-current	875,823	601,650	Total current liabilities	46,705,511	69,068,461
Total current assets	<u>51,384,214</u>	<u>65,928,012</u>			
			LONG-TERM LIABILITIES		
LONG-TERM INVESTMENTS			Long-term loans	7,200,000	-
Long-term investments under the equity method	<u>86,214,143</u>	<u>79,924,906</u>			
			OTHER LIABILITIES		
PROPERTY, PLANT AND EQUIPMENT			Guarantee deposits received	13,769	9,010
Land	2,561,627	2,561,627	Deferred credits	7,389	22,592
Buildings and equipment	1,844,313	2,280,148	Total other liabilities	21,158	31,602
Machinery and equipment	460,287	871,435			
Warehousing equipment	1,920	11,721	Total Liabilities	53,926,669	69,100,063
Instrument equipment	587,542	693,261			
Transportation equipment	23,858	23,038	STOCKHOLDERS' EQUITY		
Office equipment	4,623	2,648	Capital stock		
Miscellaneous equipment	427,304	392,648	Common stock	18,846,281	18,846,281
Total Costs	5,911,474	6,836,526	Stock dividends to be distributed	4,014,258	-
Less: Accumulated depreciation	(1,035,514)	(1,476,793)	Total capital stock	22,860,539	18,846,281
Add: Construction in progress	-	82,063			
Prepayments on purchase of equipment	11,777	15,431	Capital surplus		
Property, plant and equipment, net	<u>4,887,737</u>	<u>5,457,227</u>	Additional paid-in capital	61,344,958	61,188,108
			Others	2,266,111	2,468,805
INTANGIBLE ASSETS			Total capital surplus	63,611,069	63,656,913
Computer software	<u>235,259</u>	<u>201,830</u>			
			Retained earnings		
OTHER ASSETS			Legal reserve	552,261	-
Assets held for lease	131,755	127,395	Unappropriated earnings	904,246	1,973,117
Idle assets	507,002	-	Total retained earnings	1,456,507	1,973,117
Refundable deposits	338,058	322,043			
Deferred charges	832,937	238,967	Other adjustments of stockholders' equity		
Deferred income tax assets-noncurrent	5,611	687	Cumulative translation adjustments	1,932,479	(2,456,313)
Others	79,168	78,861	Unrecognized loss on pension cost	(1,115)	(151)
Total other assets	<u>1,894,531</u>	<u>767,953</u>	Unrealized profit of financial assets	829,736	1,160,018
			Total other adjustments of stockholders' equity	2,761,100	(1,296,446)
			Total stockholders' equity	90,689,215	83,179,865
TOTAL ASSETS	<u>\$144,615,884</u>	<u>\$152,279,928</u>	TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$144,615,884</u>	<u>\$152,279,928</u>

English Translations of Financial Statements Originally Issued in Chinese
 PEGATRON CORPORATION
 NON-CONSOLIDATED STATEMENTS OF INCOME
 FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2009 AND 2008
 (Expressed in Thousands of New Taiwan Dollars except for Earnings Per Share)

	<u>2009</u>	<u>2008</u>
OPERATING REVENUE		
Sales	\$132,431,968	\$132,411,155
Less: Sales return and allowance	<u>(583,736)</u>	<u>(124,866)</u>
Net sales	131,848,232	132,286,289
COST OF SALES	<u>(127,837,069)</u>	<u>(129,257,118)</u>
GROSS PROFIT	4,011,163	3,029,171
Less: Unrealized inter-company profit	(7,389)	(22,592)
Add: Unrealized inter-company profit	14,498	-
REALIZED GROSS PROFIT	<u>4,018,272</u>	<u>3,006,579</u>
OPERATING EXPENSES		
Sales and marketing expenses	1,215,501	1,907,899
General and administrative expenses	647,252	426,560
Research and development expenses	<u>1,537,369</u>	<u>1,438,860</u>
Total	<u>3,400,122</u>	<u>3,773,319</u>
OPERATING INCOME/(LOSS)	<u>618,150</u>	<u>(766,740)</u>
NON-OPERATING INCOMES AND GAINS		
Interest income	8,792	8,416
Investment income recognized under the equity method	420,407	1,870,482
Gain on disposal of assets	1,712	96
Gain on disposal of investments	371	2,128
Gain on foreign exchange	-	80,667
Rental income	31,862	4,590
Gain on reversal of impairment loss	18,529	-
Valuation gain on financial assets	197	-
Others	<u>612,676</u>	<u>668,970</u>
Total	<u>1,094,546</u>	<u>2,635,349</u>
NON-OPERATING EXPENSES AND LOSSES		
Interest expense	66,326	29,705
Loss on disposal of assets	4,431	111
Loss on foreign exchange	332,538	-
Valuation loss on financial assets	-	68
Others	<u>100,918</u>	<u>123,991</u>
Total	<u>504,213</u>	<u>153,875</u>
INCOME BEFORE INCOME TAX FROM CONTINUING OPERATIONS	1,208,483	1,714,734
INCOME TAX (EXPENSE)/ BENEFIT	<u>(198,300)</u>	<u>319,072</u>
NET INCOME	<u>\$1,010,183</u>	<u>\$2,033,806</u>
BASIC EARNINGS PER SHARE (in New Taiwan dollars)		
INCOME BEFORE INCOME TAX FROM CONTINUING OPERATIONS	\$0.64	\$1.01
INCOME TAX (EXPENSE)/ BENEFIT	<u>(0.10)</u>	<u>0.19</u>
NET INCOME	<u>\$0.54</u>	<u>\$1.20</u>