

MITAC INTERNATIONAL CORP.
STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED MAR. 31, 2005 AND 2004
(Figures in thousand of New Taiwan Dollors)

	1Q 2005	1Q 2004
<u>Cash Flows from Operating Activities :</u>		
Net income	886,928	451,069
Bad debt expenses	316	88
Depreciation	56,364	65,741
Amortization	66,557	73,701
Long -term investment income accounted for under equity method	(340,586)	(238,570)
Loss on impairment of long-term investments	12,557	0
Gain on disposal of investments	(3,206)	(8,707)
(Gain) loss on disposal of fixed assets	(354)	179
Changes in assets and liabilities	(629,580)	622,027
Net Cash Flows Used in Operating Activities	<u>48,996</u>	<u>965,528</u>
<u>Cash Flows from Investing Activities :</u>		
Increase in marketable securities ,net	(9,249)	(509,590)
Proceeds from disposal of Long-term investments	0	14,724
Increase in Long -term investments	(149,565)	(18,005)
Acquisition of fixed assets	(31,509)	(38,592)
Proceeds from disposal of fixed assets	390	2,195
Increase in deferred charges	(77,138)	(43,204)
Decrease in refundable deposits,net	50	10
Net Cash Flows Used in Investing Activities	<u>(267,021)</u>	<u>(592,462)</u>
<u>Cash Flows from Financing Activities :</u>		
Increase in short-term debts,net	301,192	(416,056)
Employee stock warranty exercised	70,246	80,476
Acquisition and disposal treasury stock	96,585	(118,166)
Net Cash Flows provided by Financing Activities	<u>468,023</u>	<u>(453,746)</u>
Net decrease in Cash and Cash Equivalents	249,998	(80,680)
Cash and Cash Equivalents at beginning of year	1,560,624	657,623
Cash and Cash Equivalents at end of year	<u>1,810,622</u>	<u>576,943</u>

*Have been reviewed by external auditor