

**MITAC INTERNATIONAL CORP.**  
**BALANCE SHEET**  
**As of SEP. 30, 2005 and 2004**  
**(Figures in thousand of New Taiwan Dollars)**

ASSETS	2005.9.30	2004.9.30	LIABILITIES	2005.9.30	2004.9.30
Current Assets			Current Liabilities		
Cash and cash equivalents	4,657,192	989,402	Short-term loans	1,910,060	1,653,664
Short term investment	0	1,114,197	Accounts payable and notes payable	7,661,512	4,720,551
Accounts receivable and notes receivable - net	13,526,390	8,820,085	Current portion of long-term debts	2,500,000	0
Inventories - net	5,616,570	4,199,513	Other current liabilities	4,755,819	2,864,587
Other current assets	1,334,022	1,178,221	Subtotal for current liabilities	<u>16,827,391</u>	<u>9,238,802</u>
Subtotal for current assets	<u>25,134,174</u>	<u>16,301,418</u>	Long-term liabilities	5,000,000	5,000,000
Long-term investments	14,923,014	12,717,046	Other liabilities	1,065,587	637,757
Other financial assets-non current	18,500	18,500	Total Liabilities	<u>22,892,978</u>	<u>14,876,559</u>
Property, plant and equipment - net	2,458,987	2,589,074	<u>STOCKHOLDERS' EQUITY</u>		
Intangible Assets	0	0	Common Stock	11,461,350	10,673,861
Other Assets	1,000,881	988,973	Capital reserve	2,893,143	3,070,694
Subtotal for current assets	<u>25,134,174</u>	<u>16,301,418</u>	Retained earnings	6,916,548	4,056,619
Long-term investments	14,923,014	12,717,046	Cumulative translation adjustments	112,100	771,760
Other financial assets-non current	18,500	18,500	Unrealized long-term investment loss	(5,562)	(8,801)
Property, plant and equipment - net	2,458,987	2,589,074	Treasury stock	(735,001)	(825,681)
Intangible Assets	0	0	Total Stockholders' equity	<u>20,642,578</u>	<u>17,738,452</u>
Other Assets	1,000,881	988,973	Total Liabilities and Stockholders' Equity	<u>43,535,556</u>	<u>32,615,011</u>
Subtotal for current assets	<u>25,134,174</u>	<u>16,301,418</u>			
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Long-term investments	14,923,014	12,717,046			

**MITAC INTERNATIONAL CORP.**  
**INCOME STATEMENT**  
**FOR THE NINE MONTHS ENDED SEP. 30, 2005 AND 2004**  
**(Expressed in thousand of New Taiwan Dollors,except for EPS)**

	<u>3Q 2005</u>	<u>3Q 2004</u>
Operating revenues - net	53,180,076	33,397,218
Operating cost	<u>(48,022,913)</u>	<u>(30,644,753)</u>
Gross profit	5,157,163	2,752,465
Operating expenses		
Selling expenses	(1,013,350)	(825,054)
Administrative expenses	(399,446)	(322,955)
Research and development expenses	<u>(1,105,614)</u>	<u>(850,239)</u>
Total operating expenses	<u>(2,518,410)</u>	<u>(1,998,248)</u>
Operating income	2,638,753	754,217
Non-operating income and expenses - net	<u>1,319,911</u>	<u>850,598</u>
Income before income tax	3,958,664	1,604,815
Income tax	<u>(446,582)</u>	<u>(63,970)</u>
Net income	<u>3,512,082</u>	<u>1,540,845</u>
EPS(NTD)	<u>3.23</u>	<u>1.45</u>

\*Have been reviewed by external auditor

**MITAC INTERNATIONAL CORP.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE NINE MONTHS ENDED SEP. 30, 2005 AND 2004**  
**(Figures in thousand of New Taiwan Dollars)**

	<u>3Q 2005</u>	<u>3Q 2004</u>
<u>Cash Flows from Operating Activities :</u>		
Net income	3,512,082	1,540,845
Bad debt expenses	3,329	681
Depreciation	161,835	193,210
Amortization	182,884	160,095
Long -term investment income accounted for under equity method	(1,258,640)	(782,766)
Loss on impairment of long-term investments	12,557	24,157
Gain on disposal of investments	(103,435)	(22,047)
Cash dividends from long-term investment accounted for under equity method	75,469	19,078
Gain on disposal of fixed assets	(2,316)	(950)
Gain on disposal of other assets	0	(73,017)
Changes in assets and liabilities	(957,628)	747,954
Net Cash Flows Provided by Operating Activities	<u>1,626,137</u>	<u>1,807,240</u>
<u>Cash Flows from Investing Activities :</u>		
Decrease in S-T investment ,net	1,291,312	655,882
Increase in Long -term investments	(331,931)	(62,977)
Proceeds from disposal of L-T investments	87,941	53,345
Acquisition of fixed assets	(149,596)	(98,653)
Proceeds from disposal of fixed assets	6,993	6,992
Increase in other assets, net	(31,758)	0
Proceeds from disposal of other assets	0	233,693
Increase in deferred charges	(169,170)	(123,076)
(Increase) decrease in refundable deposits, net	(5,410)	11
Net Cash Flows Provided by Investing Activities	<u>698,381</u>	<u>665,217</u>
<u>Cash Flows from Financing Activities :</u>		
Decrease in short-term debts, net	(1,198,958)	(2,987,236)
Decrease in short-term notes and bills payable	0	(379,377)
Decrease in longt-term debts,net	(500,000)	0
Issuance of bonds	3,000,000	2,000,000
Employee stock warranty exercised	126,484	101,789
Bouns paid to employee	(115,492)	(94,633)
Director' and supervisors' remuneration	(4,000)	(4,000)
Cash dividends paid	(632,568)	(518,294)
Acquisition and disposal treasury stock	96,584	(258,927)
Net Cash Flows Provided by(Used in) Financing Activities	<u>772,050</u>	<u>(2,140,678)</u>
Net increase in Cash and Cash Equivalents	3,096,568	331,779
Cash and Cash Equivalents at beginning of year	<u>1,560,624</u>	<u>657,623</u>
Cash and Cash Equivalents at end of year	<u><u>4,657,192</u></u>	<u><u>989,402</u></u>

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