

**MITAC INTERNATIONAL CORP. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**As of DEC. 31, 2005 and 2004**  
**(Figures in thousand of New Taiwan Dollars)**

ASSETS	2005.12.31	2004.12.31	LIABILITIES	2005.12.31	2004.12.31
Current Assets			Current Liabilities		
Cash and cash equivalents	7,688,831	2,760,564	Short-term loans	6,504,736	5,598,502
Short-term investment	418,492	1,403,559	Commercial paper payable-net	167,952	0
Accounts receivable and notes receivable - net	14,701,689	13,715,677	Accounts payable and notes payable	15,315,465	14,677,192
Inventories - net	11,839,594	8,919,307	Current portion of long-term debts	283,250	2,500,000
Other current assets	2,338,921	1,606,419	Other current liabilities	7,544,725	4,690,134
	<u>36,987,527</u>	<u>28,405,526</u>	Subtotal for current liabilities	<u>29,816,128</u>	<u>27,465,828</u>
Subtotal for current assets			Long-term liabilities	5,101,835	2,871,776
Long-term investments	9,270,878	9,507,373	Other liabilities	1,282,769	971,430
			Total Liabilities	<u>36,200,732</u>	<u>31,309,034</u>
Other financial assets-non current	41,171	37,917			
Property, plant and equipment - net	12,840,482	10,857,655	STOCKHOLDERS' EQUITY		
Intangible Assets	502,911	374,550	Common Stock	11,561,044	10,814,761
Other Assets	1,403,831	1,071,716	Capital reserve	3,064,411	3,072,497
			Retained earnings	8,346,259	4,658,273
			Cumulative translation adjustments	591,457	232,288
			Unrealized long-term investment loss	(4,244)	(7,439)
			Treasury stock	(727,261)	(841,752)
			Minority Interest	2,014,402	1,017,075
			Total Stockholders' equity	<u>24,846,068</u>	<u>18,945,703</u>
Total Assets	<u>61,046,800</u>	<u>50,254,737</u>	Total Liabilities and Stockholders' Equity	<u>61,046,800</u>	<u>50,254,737</u>

\*Have been audited by external auditor

**MITAC INTERNATIONAL CORP. AND SUBSIDIARIES**  
**CONSOLIDATED INCOME STATEMENT**  
**FOR THE YEARS ENDED DEC 31, 2005 AND 2004**  
(Expressed in thousand of New Taiwan Dollors,except for EPS)

	2005	2004
Operating revenues - net	83,817,976	59,444,222
Operating cost	(74,096,174)	(54,268,155)
Gross profit	9,721,802	5,176,067
Operating expenses		
Selling expenses	(2,157,881)	(1,383,007)
Administrative expenses	(1,014,650)	(819,844)
Research and development expenses	(1,921,220)	(1,333,908)
Total operating expenses	(5,093,751)	(3,536,759)
Operating income	4,628,051	1,639,308
Non-operating income and expenses - net	1,533,647	918,178
Income before income tax	6,161,698	2,557,486
Income tax	(887,883)	(251,546)
Consolidated income	5,273,815	2,305,940
Belongs to:		
Consolidated net income	4,941,793	2,142,499
Minority interest income	332,022	163,441
	5,273,815	2,305,940
Basic EPS(NTD)		
Income before income tax	4.83	2.18
Minority interest	(0.30)	(0.16)
Net income	4.53	2.02

\*Have been audited by external auditor

**MITAC INTERNATIONAL CORP. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEARS ENDED DEC 31, 2005 AND 2004**  
**(Figures in thousand of New Taiwan Dollars)**

	2005	2004
<u>Cash Flows from Operating Activities :</u>		
Consolidated income	5,273,815	2,305,940
Bad debt expenses	9,876	995
Depreciation	1,382,045	1,162,386
Amortization	539,091	388,782
Provision for loss on market value decline of short-term investment	1,942	0
Long -term investment income accounted for under equity method	(1,122,362)	(970,013)
Loss on impairment of long-term investments	19,549	131,364
Gain on disposal of investments	(223,846)	(23,674)
Cash dividends from long-term investment accounted for under equity method	76,972	36,629
Gain on disposal of other assets	0	(73,017)
Loss on disposal of fixed assets	90,383	40,341
Gain on disposal of intangible assets	(1,601)	(4,716)
Impairment loss	0	112,536
Effects of changes in exchange rates	309,068	280,536
Changes in assets and liabilities	(861,979)	(388,936)
Net Cash Flows provided by Operating Activities	<u>5,492,953</u>	<u>2,999,153</u>
<u>Cash Flows from Investing Activities :</u>		
Decrease in S-T investment ,net	1,089,446	1,271,242
Increase in Long -term investments	(202,364)	(66,081)
Proceeds from disposal of L-T investments	1,341,585	120,973
Proceeds from liquidation of L-T investments	0	7,358
Increase in intangible assets	(121,783)	(703)
Acquisition of fixed assets	(3,461,644)	(2,191,276)
Proceeds from disposal of fixed assets	416,598	129,438
Proceeds from disposal of other assets	0	233,693
Proceeds from disposal of intangible assets	9,563	28,859
Decrease(Increase) in other financial assets	9,740	(3,895)
Increase in deferred charges	(608,285)	(367,070)
Increase in refundable deposits, net	(21,959)	(6,117)
(Increase)Decrease in other assets, net	(28,779)	28,458
Net Cash Flows used in Investing Activities	<u>(1,577,882)</u>	<u>(815,121)</u>
<u>Cash Flows from Financing Activities :</u>		
Increase(Decrease) in short-term debts, net	906,234	(2,295,552)
Increase(Decrease) in commercial paper payable, net	167,952	(379,377)
Repayment of long-term loans	(500,000)	0
Issuance of bonds	3,000,000	2,000,000
Repayment of bonds	(2,500,000)	0
Increase in deposit-in	15,184	0
Cash dividends paid	(615,860)	(516,275)
Employee bonuses paid	(115,492)	(94,632)
Director' and supervisors' remuneration	(4,000)	(4,000)
Employee stock warranty exercised	204,246	225,781
Acquisition and disposal treasury stock ,net	146,962	(274,999)
Increase in minority interest	665,305	61,152
Net Cash Flows provided by(used in) Financing Activities	<u>1,370,531</u>	<u>(1,277,902)</u>
Effect of consolidated subsidiaries in 2005 by adopting amended R.O.C.SFAS No.7	<u>(357,335)</u>	<u>0</u>
Net increase in Cash and Cash Equivalents	4,928,267	906,130
Cash and Cash Equivalents at beginning of year	<u>2,760,564</u>	<u>1,854,434</u>
Cash and Cash Equivalents at end of year	<u><u>7,688,831</u></u>	<u><u>2,760,564</u></u>

\*Have been audited by external auditor