

**MITAC INTERNATIONAL CORP.**  
**BALANCE SHEET**  
**As of Dec. 31, 2006 and 2005**  
**(Figures in thousand of New Taiwan Dollors)**

ASSETS	2006.12.31	2005.12.31	LIABILITIES	2006.12.31	2005.12.31
Current Assets			Current Liabilities		
Cash and cash equivalents	8,367,454	5,025,785	Short-term loans	3,877,678	3,137,802
Financial assets at fair value through profit or loss - current	1,406	46,351	Financial liabilities at fair value through profit or loss - current	22,925	2,771
Accounts receivable and notes receivable - net	16,584,785	13,545,323	Accounts payable and notes payable	14,198,169	8,041,110
Inventories - net	10,225,286	5,791,132	Other current liabilities	6,023,179	5,077,768
Other current assets	938,570	981,461	Subtotal for current liabilities	<u>24,121,951</u>	<u>16,259,451</u>
Subtotal for current assets	<u>36,117,501</u>	<u>25,390,052</u>	Long-term liabilities		
Funds and Investments			Hedging derivative financial liabilities – non current	21,478	2,374
Available-for-sale financial assets – non current	941,606	518,349	Bonds payables	5,000,000	5,000,000
Financial assets carried at cost – non current	884,298	936,041	Subtotal for long-term liabilities	<u>5,021,478</u>	<u>5,002,374</u>
Long-term investments accounted for under the equity method	16,390,488	14,856,699	Other liabilities	933,224	1,109,112
Subtotal for Funds and Investments	<u>18,216,392</u>	<u>16,311,089</u>	Total Liabilities	<u>30,076,653</u>	<u>22,370,937</u>
Other financial assets-non current	<u>18,500</u>	<u>18,500</u>	<b>STOCKHOLDERS' EQUITY</b>		
Property, plant and equipment - net	<u>2,220,427</u>	<u>2,408,847</u>	Common Stock	12,797,594	11,561,044
Other Assets	<u>1,219,528</u>	<u>1,074,115</u>	Capital reserve	3,118,583	3,064,411
Total Assets	<u>57,792,348</u>	<u>45,202,603</u>	Retained earnings	11,012,564	8,346,259
			Unrealized gains(loss) on financial instruments	628,977	(4,244)
			Cumulative translation adjustments	722,552	591,457
			Treasury stock	(564,575)	(727,261)
			Total Stockholders' equity	<u>27,715,695</u>	<u>22,831,666</u>
			Total Liabilities and Stockholders' Equity	<u>57,792,348</u>	<u>45,202,603</u>

\*Audited by external auditor

**MITAC INTERNATIONAL CORP.**  
**INCOME STATEMENT**

**FOR YEARS ENDED Dec. 31, 2006 AND 2005**

(Expressed in thousand of New Taiwan Dollors,except for EPS)

	For the years ended	
	Dec. 31, 2006	Dec. 31, 2005
Operating revenues - net	82,882,363	74,305,798
Operating cost	(73,802,761)	(67,034,689)
Gross profit	9,079,602	7,271,109
Operating expenses		
Selling expenses	(2,036,476)	(1,484,748)
Administrative expenses	(448,396)	(531,584)
Research and development expenses	(1,636,424)	(1,536,105)
Total operating expenses	(4,121,296)	(3,552,437)
Operating income	4,958,306	3,718,672
Non-operating income and expenses - net	1,172,488	1,815,282
Income before income tax	6,130,794	5,533,954
Income tax	(747,182)	(592,161)
Income from continuing operations	5,383,612	4,941,793
Cumulative effect of changes in accounting principles	(124)	0
Net income	5,383,488	4,941,793
EPS(NTD)	4.39	4.14

\*Audited by external auditor

**MITAC INTERNATIONAL CORP.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEARS ENDED DEC. 31, 2006 AND 2005**  
**(Figures in thousand of New Taiwan Dollars)**

	For the years ended	
	Dec. 31, 2006	Dec. 31, 2005
<u>Cash Flows from Operating Activities :</u>		
Net income	5,383,488	4,941,793
Bad debt expenses	26,377	7,838
Depreciation	192,327	219,048
Amortization	294,682	261,919
Gain on valuation of financial assets	(1,406)	0
Loss on valuation of financial liabilities	22,925	0
Long -term investment income accounted for under equity method	(1,216,664)	(1,769,005)
Loss on other investments	51,743	12,952
Gain on disposal of investments	(318)	(103,844)
Cash dividends from long-term investment accounted for under equity method	148,320	75,470
Gain(Loss) on disposal of fixed assets	6,799	(3,183)
Cumulative effect of change in accounting principles	124	0
Changes in assets and liabilities	(530,008)	(132,301)
Net Cash Flows provided by Operating Activities	<u>4,378,389</u>	<u>3,510,687</u>
<u>Cash Flows from Investing Activities :</u>		
Decrease in financial assets at fair value through profit or loss - current	46,227	1,522,292
Increase in long-term equity investments accounted for under the equity method	0	(528,449)
Proceeds from disposal of investments	594	88,377
Acquisition of fixed assets and other assets	(163,252)	(249,481)
Proceeds from disposal of fixed assets	150,077	15,126
Increase in refundable deposits, net	(2,000)	(5,459)
Increase in deferred charges	(436,185)	(267,879)
Decrease in financial liabilities at fair value through profit or loss - current	(2,771)	(203,685)
(Decrease) Increase in hedging derivative financial liabilities – non current	(2,374)	6,059
Net Cash Flows (used in)provided by Investing Activities	<u>(409,684)</u>	<u>376,901</u>
<u>Cash Flows from Financing Activities :</u>		
Increase in short-term debts, net	739,876	28,784
Repayment of long-term loans	0	(500,000)
Issuance of bonds	0	3,000,000
Repayment of bond	0	(2,500,000)
Employee stock warranty exercised	114,705	204,246
Employee bonuses paid	(266,675)	(115,492)
Director' and supervisors' remuneration	(6,000)	(4,000)
Cash dividends paid	(1,359,988)	(632,550)
Disposal of treasury stock	151,046	96,585
Net Cash Flows used in Financing Activities	<u>(627,036)</u>	<u>(422,427)</u>
Net increase in Cash and Cash Equivalents	3,341,669	3,465,161
Cash and Cash Equivalents at beginning of year	5,025,785	1,560,624
Cash and Cash Equivalents at end of year	<u>8,367,454</u>	<u>5,025,785</u>

\*Audited by external auditor