

MITAC INTERNATIONAL CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
As of DEC. 31, 2006 and 2005
(Figures in thousand of New Taiwan Dollars)

ASSETS	2006.12.31	2005.12.31	LIABILITIES	2006.12.31	2005.12.31
Current Assets			Current Liabilities		
Cash and cash equivalents	10,984,144	7,688,831	Short-term loans	8,231,223	6,672,688
Financial assets at fair value through profit or loss - current	1,579	66,143	Financial liabilities at fair value through profit or loss - current	23,565	3,504
Available-for-sale financial assets – current	437,177	418,492	Accounts payable and notes payable	16,750,784	15,315,465
Accounts receivable and notes receivable - net	17,734,952	14,701,689	Current portion of long-term debts	0	283,250
Inventories - net	12,747,435	11,839,594	Other current liabilities	8,719,186	7,538,847
Other current assets	1,743,377	2,272,778	Subtotal for current liabilities	<u>33,724,758</u>	<u>29,813,754</u>
Subtotal for current assets	<u>43,648,664</u>	<u>36,987,527</u>	Long-term liabilities		
Funds and Investments			Hedging derivative financial liabilities – non current	21,478	2,374
Available-for-sale financial assets – non current	1,093,521	691,294	Bonds payables	5,000,000	5,000,000
Financial assets carried at cost – non current	1,145,990	1,155,644	Long-term loans	3,259	101,835
Long-term investments accounted for under the equity method	8,277,617	7,423,940	Subtotal for long-term liabilities	<u>5,024,737</u>	<u>5,104,209</u>
Subtotal for Funds and Investments	<u>10,517,128</u>	<u>9,270,878</u>	Other liabilities	1,109,929	1,282,769
Other financial assets-non current	41,544	41,171	Total Liabilities	<u>39,859,424</u>	<u>36,200,732</u>
Property, plant and equipment - net	<u>13,414,763</u>	<u>12,840,482</u>	STOCKHOLDERS' EQUITY		
Intangible Assets	<u>548,297</u>	<u>502,911</u>	Common Stock	12,797,594	11,561,044
Other Assets	<u>1,654,969</u>	<u>1,403,831</u>	Capital reserve	3,118,583	3,064,411
Total Assets	<u>69,825,365</u>	<u>61,046,800</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)
			Minority Interest	2,250,246	2,014,402
			Total Stockholders' equity	<u>29,965,941</u>	<u>24,846,068</u>
			Total Liabilities and Stockholders' Equity	<u>69,825,365</u>	<u>61,046,800</u>

*Audited by external auditor

MITAC INTERNATIONAL CORP. AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENT
FOR THE YEARS ENDED DEC 31, 2006 AND 2005

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

	For the years ended	
	Dec. 31, 2006	Dec. 31, 2005
Operating revenues - net	91,697,189	83,817,976
Operating cost	(79,606,838)	(74,096,174)
Gross profit	12,090,351	9,721,802
Operating expenses		
Selling expenses	(3,085,492)	(2,157,881)
Administrative expenses	(1,068,374)	(1,014,650)
Research and development expenses	(2,285,120)	(1,921,220)
Total operating expenses	(6,438,986)	(5,093,751)
Operating income	5,651,365	4,628,051
Non-operating income and expenses - net	899,987	1,533,647
Income before income tax	6,551,352	6,161,698
Income tax	(852,032)	(887,883)
Income from continuing operations	5,699,320	5,273,815
Cumulative effect of changes in accounting principles	(447)	0
Consolidated income	5,698,873	5,273,815
Belongs to:		
Consolidated net income	5,383,488	4,941,793
Minority interest income	315,385	332,022
	5,698,873	5,273,815
Basic EPS(NTD)		
Income before minority interest	4.65	4.42
Minority interest	(0.26)	(0.28)
Net income	4.39	4.14

*Audited by external auditor

MITAC INTERNATIONAL CORP. AND SUBSIDIARIES
CONSOLIDATED 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
Cash Flows from Operating Activities :		
Consolidated income	5,698,873	5,273,815
Bad debt expenses	44,936	9,876
Depreciation	1,579,769	1,382,045
Amortization	548,721	539,091
Gain on valuation of financial assets	(293)	0
Loss on valuation of financial liabilities	23,565	0
Cash dividends from long-term investment accounted for under equity method	91,068	76,972
Long -term investment income accounted for under equity method	(667,995)	(1,122,362)
Loss on other investments	75,884	21,491
Gain on disposal of investments	(8,683)	(223,846)
Loss on disposal of fixed assets	59,405	90,383
Gain on disposal of intangible assets	0	(1,601)
Cumulative effect of change in accounting principles	447	0
Effects of changes in exchange rates	(153,026)	309,068
Changes in assets and liabilities	(1,012,176)	(909,001)
Net Cash Flows provided by Operating Activities	6,280,495	5,445,931
Cash Flows from Investing Activities :		
Decrease in financial assets at fair value at financial assets through profit or loss and available-for-sale financial assets	110,719	1,356,687
Increase in Long -term investments	(73,539)	(202,364)
Proceeds from disposal of L-T investments	1,336	1,341,585
Acquisition of fixed assets	(2,557,015)	(3,461,644)
Proceeds from disposal of fixed assets	625,156	416,598
Increase in refundable deposits, net	(92,930)	(21,959)
Increase in intangible assets	(54,672)	(121,783)
Proceeds from disposal of intangible assets	0	9,563
Decrease in other financial assets	0	9,740
Increase in deferred charges	(682,167)	(608,285)
Decrease(Increase) in other assets, net	134	(28,779)
Decrease in financial liabilities at fair value through profit or loss - current	(3,504)	(226,278)
(Decrease) Increase in hedging derivative financial liabilities – non current	(2,374)	6,059
Net Cash Flows used in Investing Activities	(2,728,856)	(1,530,860)
Cash Flows from Financing Activities :		
Increase in short-term debts, net	1,596,487	906,234
Repayment of long-term loans	(381,800)	(500,000)
(Decrease)Increase in commercial paper payable, net	(37,952)	167,952
Issuance of bonds	0	3,000,000
Repayment of bonds	0	(2,500,000)
Employee stock warranty exercised	114,705	204,246
(Decrease)Increase in deposit-in	(4,146)	15,184
Employee bonuses paid	(266,675)	(115,492)
Director' and supervisors' remuneration	(6,000)	(4,000)
Cash dividends paid	(1,342,450)	(615,860)
Disposal of treasury stock ,net	151,046	146,962
(Decrease)Increase in minority interest	(79,541)	665,305
Net Cash Flows (used in)provided by Financing Activities	(256,326)	1,370,531
Effect of consolidated subsidiaries in 2005 by adopting amended R.O.C.SFAS No.7	0	(357,335)
Net increase in Cash and Cash Equivalents	3,295,313	4,928,267
Cash and Cash Equivalents at beginning of year	7,688,831	2,760,564
Cash and Cash Equivalents at end of year	10,984,144	7,688,831

*Audited by external auditor