

MITAC INTERNATIONAL CORP.
BALANCE SHEET

As of MAR. 31, 2006 and 2005

(Figures in thousand of New Taiwan Dollars)

	2006.3.31	2005.3.31	LIABILITIES	2006.3.31	2005.3.31
ASSETS					
Current Assets			Current Liabilities		
Cash and cash equivalents	7,369,194	1,810,622	Short-term loans	3,780,268	3,410,210
Financial assets at fair value through profit or loss - current	5,058	1,300,127	Financial liabilities at fair value through profit or loss - current	0	39,055
Accounts receivable and notes receivable - net	13,232,919	12,451,932	Accounts payable and notes payable	7,367,265	6,479,278
Inventories - net	4,597,964	4,243,737	Current portion of long-term debts	0	2,500,000
Other current assets	883,226	969,552	Other current liabilities	4,803,634	3,587,777
Subtotal for current assets	26,088,361	20,775,970	Subtotal for current liabilities	15,951,167	16,016,320
Funds and Investments			Long-term liabilities		
Available-for-sale financial assets – noncurrent	604,207	494,811	Hedging derivative financial liabilities	26,934	0
Financial assets carried at cost – noncurrent	936,041	956,041	Bonds payable	5,000,000	2,000,000
Long-term investments accounted for under the equity method	15,251,350	12,642,545	Long-term loans	0	500,000
Subtotal for Funds and Investments	16,791,598	14,093,397	Subtotal for long-term liabilities	5,026,934	2,500,000
Other financial assets-non current	18,500	18,500	Other liabilities	1,110,585	939,651
	18,500	18,500	Total Liabilities	22,088,686	19,455,971
Property, plant and equipment - net	2,246,667	2,494,240			
Other Assets	1,125,383	944,569	STOCKHOLDERS' EQUITY		
	1,125,383	944,569	Common Stock	11,622,987	10,894,586
			Capital reserve	3,049,257	3,062,917
			Retained earnings	9,356,420	5,542,162
			Unrealized gains(loss) on financial instruments	224,443	(7,439)
			Cumulative translation adjustments	591,457	120,607
			Treasury stock	(662,741)	(742,128)
			Total Stockholders' equity	24,181,823	18,870,705
Total Assets	46,270,509	38,326,676	Total Liabilities and Stockholders' Equity	46,270,509	38,326,676

*Have been reviewed by external auditor

MITAC INTERNATIONAL CORP.
INCOME STATEMENT
FOR THE THREE MONTHS ENDED MAR. 31, 2006 AND 2005
(Expressed in thousand of New Taiwan Dollors,except for EPS)

	<u>1Q 2006</u>	<u>1Q 2005</u>
Operating revenues - net	18,494,936	17,673,141
Operating cost	<u>(16,727,385)</u>	<u>(16,181,751)</u>
Gross profit	1,767,551	1,491,390
Operating expenses		
Selling expenses	(317,498)	(353,633)
Administrative expenses	(86,740)	(106,840)
Research and development expenses	(377,843)	(351,003)
Total operating expenses	<u>(782,081)</u>	<u>(811,476)</u>
Operating income	985,470	679,914
Non-operating income and expenses - net	203,104	307,014
Income before income tax	1,188,574	986,928
Income tax	<u>(178,289)</u>	<u>(100,000)</u>
Income from continuing operations	1,010,285	886,928
Cumulative effect of changes in accounting principles	(124)	0
Net income	<u>1,010,161</u>	<u>886,928</u>
EPS(NTD)	<u>0.91</u>	<u>0.82</u>

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MITAC INTERNATIONAL CORP.
STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED MAR. 31, 2006 AND 2005
(Figures in thousand of New Taiwan Dollors)

	1Q 2006	1Q 2005
<u>Cash Flows from Operating Activities :</u>		
Net income	1,010,161	886,928
Bad debt expenses	(3,921)	316
Depreciation	52,944	56,364
Amortization	50,217	66,557
Gain on valuation of financial assets	(5,058)	0
Long -term investment income accounted for under equity method	(224,988)	(340,586)
Loss on other investments	0	12,557
Gain on disposal of investments	(84)	(3,206)
Gain on disposal of fixed assets	(1,307)	(354)
Cumulative effect of change in accounting principles	(124)	0
Changes in assets and liabilities	658,978	(689,399)
Net Cash Flows provided by(used in) Operating Activities	1,536,818	(10,823)
<u>Cash Flows from Investing Activities :</u>		
Financial assets at fair value through profit or loss - current decrease	43,690	50,570
Increase in long-term equity investments accounted for under the equity method	0	(149,565)
Proceeds from disposal of investments	183	0
Acquisition of fixed assets	(31,624)	(31,509)
Proceeds from disposal of fixed assets	86,177	390
Decrease in refundable deposits, net	0	50
Increase in deferred charges	(45,611)	(77,138)
Net Cash Flows provided by(used in) Investing Activities	52,815	(207,202)
<u>Cash Flows from Financing Activities :</u>		
Increase in short-term debts, net	642,466	301,192
Employee stock warranty exercised	48,316	70,246
Disposal treasury stock ,net	62,994	96,585
Net Cash Flows provided by Financing Activities	753,776	468,023
Net increase in Cash and Cash Equivalents	2,343,409	249,998
Cash and Cash Equivalents at beginning of year	5,025,785	1,560,624
Cash and Cash Equivalents at end of year	7,369,194	1,810,622

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