

MITAC INTERNATIONAL CORP.
BALANCE SHEET
As of JUN. 30, 2006 and 2005
(Figures in thousand of New Taiwan Dollars)

ASSETS	2006.6.30	2005.6.30	LIABILITIES	2006.6.30	2005.6.30
Current Assets			Current Liabilities		
Cash and cash equivalents	7,041,880	5,145,606	Short-term loans	1,681,848	4,115,644
Financial assets at fair value through profit or loss - current	22,288	340,911	Financial liabilities at fair value through profit or loss - current	0	107,771
Accounts receivable and notes receivable - net	13,871,201	11,053,206	Accounts payable and notes payable	7,322,080	6,356,017
Inventories - net	3,636,574	5,077,883	Current portion of long-term debts	0	2,600,000
Other current assets	690,993	931,110	Other current liabilities	6,677,857	4,622,164
Subtotal for current assets	<u>25,262,936</u>	<u>22,548,716</u>	Subtotal for current liabilities	<u>15,681,785</u>	<u>17,801,596</u>
Funds and Investments			Long-term liabilities		
Available-for-sale financial assets – non current	685,269	519,165	Hedging derivative financial liabilities – non current	22,759	0
Financial assets carried at cost – non current	936,041	936,041	Bonds payables	5,000,000	2,000,000
Long-term investments accounted for under the equity method	15,293,508	13,215,965	Long-term loans	0	400,000
Subtotal for Funds and Investments	<u>16,914,818</u>	<u>14,671,171</u>	Subtotal for long-term liabilities	<u>5,022,759</u>	<u>2,400,000</u>
Other financial assets-non current	18,500	18,500	Other liabilities	1,092,457	1,029,540
Property, plant and equipment - net	2,190,124	2,460,288	Total Liabilities	<u>21,797,001</u>	<u>21,231,136</u>
Other Assets	1,161,189	950,745	STOCKHOLDERS' EQUITY		
Total Assets	<u>45,547,567</u>	<u>40,649,420</u>	Common Stock	12,763,721	11,424,833
			Capital reserve	3,010,989	3,039,669
			Retained earnings	7,992,990	5,635,141
			Unrealized gains(loss) on financial instruments	143,049	(7,214)
			Cumulative translation adjustments	502,558	67,983
			Treasury stock	(662,741)	(742,128)
			Total Stockholders' equity	<u>23,750,566</u>	<u>19,418,284</u>
			Total Liabilities and Stockholders' Equity	<u>45,547,567</u>	<u>40,649,420</u>

*Have been audited by external auditor

MITAC INTERNATIONAL CORP.
INCOME STATEMENT

FOR THE SIX MONTHS ENDED JUN. 30, 2006 AND 2005

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

	For the six months ended	
	Jun. 30, 2006	Jun. 30, 2005
Operating revenues - net	38,122,039	34,687,727
Operating cost	(34,250,878)	(31,356,423)
Gross profit	3,871,161	3,331,304
Operating expenses		
Selling expenses	(693,685)	(683,579)
Administrative expenses	(190,419)	(248,722)
Research and development expenses	(796,545)	(737,613)
Total operating expenses	(1,680,649)	(1,669,914)
Operating income	2,190,512	1,661,390
Non-operating income and expenses - net	508,953	864,783
Income before income tax	2,699,465	2,526,173
Income tax	(335,427)	(295,498)
Income from continuing operations	2,364,038	2,230,675
Cumulative effect of changes in accounting principles	(124)	0
Net income	2,363,914	2,230,675
EPS(NTD)	1.94	1.88

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MITAC INTERNATIONAL CORP.
STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUN. 30, 2006 AND 2005
(Figures in thousand of New Taiwan Dollars)

	<u>For the six months ended</u>	
	<u>Jun. 30, 2006</u>	<u>Jun. 30, 2005</u>
<u>Cash Flows from Operating Activities :</u>		
Net income	2,363,914	2,230,675
Bad debt expenses	11,585	822
Depreciation	104,715	109,668
Amortization	140,967	105,693
Gain on valuation of financial assets	(22,288)	0
Long -term investment income accounted for under equity method	(548,742)	(875,693)
Loss on other investments	0	12,557
Gain on disposal of investments	(318)	(48,924)
Gain on disposal of fixed assets	(2,316)	(1,792)
Cumulative effect of change in accounting principles	124	0
Changes in assets and liabilities	1,336,950	191,885
Net Cash Flows provided by Operating Activities	<u>3,384,591</u>	<u>1,724,891</u>
<u>Cash Flows from Investing Activities :</u>		
Decrease in financial assets at fair value through profit or loss - current	43,457	1,082,065
Increase in long-term equity investments accounted for under the equity method	0	(331,930)
Proceeds from disposal of investments	594	80,017
Acquisition of fixed assets and other assets	(62,420)	(59,856)
Proceeds from disposal of fixed assets	118,478	5,963
Increase in refundable deposits, net	(20)	(5,410)
Increase in deferred charges	(167,823)	(111,969)
Net Cash Flows provided by(used in) Investing Activities	<u>(67,734)</u>	<u>658,880</u>
<u>Cash Flows from Financing Activities :</u>		
(Decrease)Increase in short-term debts, net	(1,455,954)	1,006,626
Employee stock warranty exercised	92,199	98,001
Disposal of treasury stock	62,993	96,584
Net Cash Flows provided by(used in) Financing Activities	<u>(1,300,762)</u>	<u>1,201,211</u>
Net increase in Cash and Cash Equivalents	2,016,095	3,584,982
Cash and Cash Equivalents at beginning of year	5,025,785	1,560,624
Cash and Cash Equivalents at end of year	<u>7,041,880</u>	<u>5,145,606</u>

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