

MITAC INTERNATIONAL CORP.
BALANCE SHEET
As of MAR. 31, 2007 and 2006
(Figures in thousand of New Taiwan Dollors)

ASSETS	2007.3.31	2006.3.31	LIABILITIES	2007.3.31	2006.3.31
Current Assets			Current Liabilities		
Cash and cash equivalents	5,981,835	7,369,194	Short-term loans	1,934,197	3,780,268
Financial assets at fair value through profit or loss - current	0	5,058	Financial liabilities at fair value through profit or loss - current	25,542	0
Accounts receivable and notes receivable - net	13,690,861	13,232,919	Accounts payable and notes payable	8,585,632	7,367,265
Inventories - net	7,494,446	4,597,964	Other current liabilities	5,197,009	4,803,634
Other current assets	776,902	883,226	Subtotal for current liabilities	<u>15,742,380</u>	<u>15,951,167</u>
Subtotal for current assets	<u>27,944,044</u>	<u>26,088,361</u>	Long-term liabilities		
Funds and Investments			Hedging derivative financial liabilities	21,832	26,934
Available-for-sale financial assets – noncurrent	961,035	604,207	Bonds payables	5,000,000	5,000,000
Financial assets carried at cost – noncurrent	884,298	936,041	Subtotal for long-term liabilities	<u>5,021,832</u>	<u>5,026,934</u>
Long-term investments accounted for under the equity method	17,437,924	15,251,350	Other liabilities	927,307	1,110,585
Subtotal for Funds and Investments	<u>19,283,257</u>	<u>16,791,598</u>	Total Liabilities	<u>21,691,519</u>	<u>22,088,686</u>
Other financial assets-non current	<u>18,500</u>	<u>18,500</u>			
Property, plant and equipment - net	<u>2,189,344</u>	<u>2,246,667</u>	STOCKHOLDERS' EQUITY		
Other Assets	<u>1,210,133</u>	<u>1,125,383</u>	Common Stock	12,822,266	11,622,987
Total Assets	<u><u>50,645,278</u></u>	<u><u>46,270,509</u></u>	Capital reserve	3,100,666	3,049,257
			Retained earnings	12,054,806	9,356,420
			Unrealized gains(loss) on financial instruments	732,532	224,443
			Cumulative translation adjustments	729,927	591,457
			Treasury stock	<u>(486,438)</u>	<u>(662,741)</u>
			Total Stockholders' equity	<u>28,953,759</u>	<u>24,181,823</u>
			Total Liabilities and Stockholders' Equity	<u><u>50,645,278</u></u>	<u><u>46,270,509</u></u>

*Reviewed by external auditor

MITAC INTERNATIONAL CORP.
INCOME STATEMENT
FOR THE THREE MONTHS ENDED MAR. 31, 2007 AND 2006
(Expressed in thousand of New Taiwan Dollors,except for EPS)

	For the three months ended	
	<u>Mar. 31, 2007</u>	<u>Mar. 31, 2006</u>
Operating revenues - net	17,897,720	18,494,936
Operating cost	(16,050,384)	(16,727,385)
Gross profit	1,847,336	1,767,551
Operating expenses		
Selling expenses	(451,849)	(317,498)
Administrative expenses	(130,873)	(86,740)
Research and development expenses	(393,670)	(377,843)
Total operating expenses	(976,392)	(782,081)
Operating income	870,944	985,470
Non-operating income and expenses - net	327,022	203,104
Income before income tax	1,197,966	1,188,574
Income tax	(155,724)	(178,289)
Income from continuing operations	1,042,242	1,010,285
Cumulative effect of changes in accounting principl	0	(124)
Net income	<u>1,042,242</u>	<u>1,010,161</u>
EPS(NTD)	0.84	0.83

*Reviewed by external auditor

MITAC INTERNATIONAL CORP.
STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED MAR. 31, 2007 AND 2006
(Figures in thousand of New Taiwan Dollars)

	For the three months ended	
	<u>Mar. 31, 2007</u>	<u>Mar. 31, 2006</u>
<u>Cash Flows from Operating Activities :</u>		
Net income	1,042,242	1,010,161
Bad debt expenses	(3,719)	(3,921)
Depreciation	41,754	52,944
Amortization	61,362	50,217
Loss (Gain) on valuation of financial assets	1,406	(5,058)
Loss on valuation of financial liabilities	2,617	0
Long -term investment income accounted for under equity method	(302,641)	(224,988)
Gain on disposal of investments	0	(84)
Gain on disposal of fixed assets	(690)	(1,307)
Cumulative effect of change in accounting principles	0	(124)
Changes in assets and liabilities	(654,407)	661,338
Net Cash Flows provided by Operating Activities	<u>187,924</u>	<u>1,539,178</u>
<u>Cash Flows from Investing Activities :</u>		
Decrease in financial assets at fair value through profit or loss - current	0	46,475
Increase in long-term equity investments accounted for under the equity method	(659,360)	0
Proceeds from disposal of investments	0	183
Acquisition of fixed assets and other assets	(33,481)	(31,624)
Proceeds from disposal of fixed assets	2,249	86,177
Increase in refundable deposits, net	(119)	0
Increase in deferred charges	(30,663)	(45,611)
Decrease in financial liabilities at fair value through profit or loss - current	0	(2,771)
Decrease in hedging derivative financial liabilities – non current	0	(2,374)
Net Cash Flows (used in) provided by Investing Activities	<u>(721,374)</u>	<u>50,455</u>
<u>Cash Flows from Financing Activities :</u>		
(Decrease) Increase in short-term debts, net	(1,943,481)	642,466
Employee stock warranty exercised	14,803	48,316
Disposal treasury stock ,net	76,509	62,994
Net Cash Flows (used in) provided by Financing Activities	<u>(1,852,169)</u>	<u>753,776</u>
Net (decrease) increase in Cash and Cash Equivalents	<u>(2,385,619)</u>	<u>2,343,409</u>
Cash and Cash Equivalents at beginning of year	8,367,454	5,025,785
Cash and Cash Equivalents at end of year	<u>5,981,835</u>	<u>7,369,194</u>

*Reviewed by external auditor