

**MITAC INTERNATIONAL CORP.**  
**BALANCE SHEET**  
**As of JUN. 30, 2007 and 2006**  
**(Figures in thousand of New Taiwan Dollars)**

ASSETS	2007.06.30	2006.06.30	LIABILITIES	2007.06.30	2007.06.30
Current Assets			Current Liabilities		
Cash and cash equivalents	9,707,667	7,041,880	Short-term loans	2,398,200	1,681,848
Financial assets at fair value through profit or loss - current	21,278	22,288	Accounts payable and notes payable	10,984,435	7,322,080
Accounts receivable and notes receivable - net	14,082,622	13,871,201	Current portion of long-term debts	500,000	-
Inventories - net	7,347,065	3,636,574	Other current liabilities	6,829,001	6,677,857
Other current assets	756,580	690,993	Subtotal for current liabilities	<u>20,711,636</u>	<u>15,681,785</u>
Subtotal for current assets	<u>31,915,212</u>	<u>25,262,936</u>	Long-term liabilities		
Funds and Investments			Derivative financial liabilities for hedging – non current	15,448	22,759
Available-for-sale financial assets – non current	1,033,875	685,269	Bonds payable	4,500,000	5,000,000
Financial assets carried at cost – non current	884,298	936,041	Subtotal for long-term liabilities	<u>4,515,448</u>	<u>5,022,759</u>
Long-term investments accounted for under the equity method	18,148,313	15,293,508	Other liabilities	955,755	1,092,457
Subtotal for Funds and Investments	<u>20,066,486</u>	<u>16,914,818</u>	Total Liabilities	<u>26,182,839</u>	<u>21,797,001</u>
Other financial assets-non current	18,500	18,500	<b>STOCKHOLDERS' EQUITY</b>		
Property, plant and equipment - net	2,182,443	2,190,124	Common Stock	14,045,053	12,763,721
Other Assets	1,172,606	1,161,189	Capital reserve	2,897,923	3,010,989
Total Assets	<u>55,355,247</u>	<u>45,547,567</u>	Retained earnings	10,392,518	7,992,990
			Unrealized gains(loss) on financial instruments	1,037,850	143,049
			Cumulative translation adjustments	1,007,894	502,558
			Treasury stock	(208,830)	(662,741)
			Total Stockholders' equity	<u>29,172,408</u>	<u>23,750,566</u>
			Total Liabilities and Stockholders' Equity	<u>55,355,247</u>	<u>45,547,567</u>

\*Have been audited by external auditor

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

**FOR THE SIX MONTHS ENDED JUN. 30, 2007 AND 2006**

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

	For the six months ended	
	Jun. 30, 2007	Jun. 30, 2006
Operating revenues - net	38,142,829	38,122,039
Operating cost	(33,882,119)	(34,150,413)
Gross profit	4,260,710	3,971,626
Operating expenses		
Selling expenses	(1,127,079)	(794,149)
Administrative expenses	(262,804)	(190,420)
Research and development expenses	(839,056)	(796,545)
Total operating expenses	(2,228,939)	(1,781,114)
Operating income	2,031,771	2,190,512
Non-operating income and expenses - net	741,505	508,953
Income before income tax	2,773,276	2,699,465
Income tax expense	(360,504)	(335,427)
Income from continuing operations	2,412,772	2,364,038
Cumulative effect of changes in accounting principles	-	(124)
Net income	2,412,772	2,363,914
EPS(NTD)	1.76	1.77

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**MITAC INTERNATIONAL CORP.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTHS ENDED JUN. 30, 2007 AND 2006**  
**(Figures in thousand of New Taiwan Dollors)**

	<u>For the six months ended</u>	
	<u>Jun. 30, 2007</u>	<u>Jun. 30, 2006</u>
<u>Cash Flows from Operating Activities :</u>		
Net income	2,412,772	2,363,914
Bad debts expenses	-	11,585
Depreciation	83,532	104,715
Amortization	204,919	140,967
Gain on valuation of financial assets	(19,872)	(22,288)
Gain on valuation of financial liabilities	(22,925)	-
Long -term investment income accounted for under the equity method	(682,424)	(548,742)
Gain on disposal of investments	-	(318)
Gain on disposal of property, plant and equipment, net	(1,612)	(2,316)
Effects of changes in accounting principles	-	124
Changes in assets and liabilities	1,354,969	1,339,324
Net Cash Flows provided by Operating Activities	<u>3,329,359</u>	<u>3,386,965</u>
<u>Cash Flows from Investing Activities :</u>		
Decrease in financial assets at fair value through profit or loss - current	-	46,228
Increase in long-term equity investments accounted for under the equity method	(659,360)	-
Proceeds from disposal of long-term investments	-	594
Acquisition of property, plant and equipment	(71,450)	(62,420)
Proceeds from disposal of property, plant and equipment	3,219	118,478
Increase in refundable deposits, net	(103)	(20)
Increase in deferred charges	(133,666)	(167,823)
Decrease in financial liabilities at fair value through profit or loss	-	(2,771)
Derivative financial liabilities for hedging - non current	-	(2,374)
Net Cash Flows used in Investing Activities	<u>(861,360)</u>	<u>(70,108)</u>
<u>Cash Flows from Financing Activities :</u>		
Decrease in short-term debts, net	(1,479,478)	(1,455,954)
Employee stock warranty exercised	22,039	92,199
Disposal of treasury stock	329,653	62,993
Net Cash Flows used in Financing Activities	<u>(1,127,786)</u>	<u>(1,300,762)</u>
Net increase in Cash and Cash Equivalents	1,340,213	2,016,095
Cash and Cash Equivalents at beginning of year	8,367,454	5,025,785
Cash and Cash Equivalents at end of year	<u>9,707,667</u>	<u>7,041,880</u>

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