

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

ASSETS	2007.09.30	2006.09.30	LIABILITIES	2007.09.30	2006.09.30
Current Assets			Current Liabilities		
Cash and cash equivalents	10,302,192	5,712,421	Short-term loans	3,255,701	1,557,071
Financial assets at fair value through profit or loss - current	5,476	3,167	Financial liabilities at fair value through profit or loss - current	3,487	14,345
Accounts receivable and notes receivable - net	16,600,185	13,926,474	Accounts payable and notes payable	14,811,907	6,049,744
Inventories - net	9,097,350	3,396,146	Current portion of long-term debts	500,000	0
Other current assets	1,137,066	961,855	Other current liabilities	5,958,273	5,650,653
Subtotal for current assets	<u>37,142,269</u>	<u>24,000,063</u>	Subtotal for current liabilities	<u>24,529,368</u>	<u>13,271,813</u>
Funds and Investments			Long-term liabilities		
Available-for-sale financial assets – noncurrent	1,284,183	720,141	Derivative financial liabilities for hedging-non current	13,663	21,417
Financial assets carried at cost – noncurrent	884,298	936,041	Bonds payables	4,500,000	5,000,000
Long-term investments accounted for under the equity method	18,758,080	15,401,946	Subtotal for long-term liabilities	<u>4,513,663</u>	<u>5,021,417</u>
Subtotal for Funds and Investments	<u>20,926,561</u>	<u>17,058,128</u>	Other liabilities	856,925	1,033,377
Other financial assets-non current	18,500	18,500	Total Liabilities	<u>29,899,956</u>	<u>19,326,607</u>
Property, plant and equipment - net	<u>2,178,523</u>	<u>2,241,296</u>	<b>STOCKHOLDERS' EQUITY</b>		
Other Assets	<u>1,176,079</u>	<u>1,099,200</u>	Common Stock	14,054,424	12,785,736
Total Assets	<u>61,441,932</u>	<u>44,417,187</u>	Capital reserve	3,100,717	3,004,366
			Retained earnings	12,026,593	9,281,398
			Unrealized gains(loss) on financial instruments	1,598,940	179,263
			Cumulative translation adjustments	970,132	502,558
			Treasury stock	<u>(208,830)</u>	<u>(662,741)</u>
			Total Stockholders' equity	<u>31,541,976</u>	<u>25,090,580</u>
			Total Liabilities and Stockholders' Equity	<u>61,441,932</u>	<u>44,417,187</u>

\*Reviewed by external auditor

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

**FOR THE THREE MONTHS ENDED SEP. 30, 2007 AND 2006**

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

	For the nine months ended	
	<u>Sep. 30, 2007</u>	<u>Sep. 30, 2006</u>
Operating revenues - net	60,791,644	58,221,309
Operating cost	(53,261,611)	(52,091,824)
Gross profit	7,530,033	6,129,485
Operating expenses		
Selling expenses	(2,244,400)	(1,286,454)
Administrative expenses	(398,883)	(310,928)
Research and development expenses	(1,265,262)	(1,207,326)
Total operating expenses	(3,908,545)	(2,804,708)
Operating income	3,621,488	3,324,777
Non-operating income and expenses - net	1,029,992	838,759
Income before income tax	4,651,480	4,163,536
Income tax expense	(604,634)	(511,090)
Income from continuing operations	4,046,846	3,652,446
Cumulative effect of changes in accounting principles	-	(124)
Net income	<u>4,046,846</u>	<u>3,652,322</u>
EPS(NTD)	2.94	2.73

\*Reviewed by external auditor

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

	For the nine months ended	
	<u>Sep. 30, 2007</u>	<u>Sep. 30, 2006</u>
<u>Cash Flows from Operating Activities :</u>		
Net income	4,046,846	3,652,322
Bad debt expenses	0	19,405
Depreciation	125,723	148,290
Amortization	312,101	201,816
Gain on valuation of financial assets	(4,071)	(3,167)
(Gain)Loss on valuation of financial liabilities	(19,438)	14,345
Long -term investment income accounted for under the equity method	(883,958)	(805,501)
Cash dividends from long-term investments accounted for under the equity	118,352	80,825
Gain on disposal of investments	0	(318)
Gain on disposal of property, plant and equipment, net	(1,631)	(7,900)
Cumulative effect of change in accounting principles	0	124
Changes in assets and liabilities	1,386,522	501,507
Net Cash Flows provided by Operating Activities	<u>5,080,446</u>	<u>3,801,748</u>
<u>Cash Flows from Investing Activities :</u>		
Decrease in financial assets at fair value through profit or loss - current	0	46,227
Increase in long-term equity investments accounted for under the equity method	(706,912)	0
Proceeds from disposal of investments	0	594
Acquisition of property, plant and equipment, net and other assets	(114,368)	(108,779)
Proceeds from disposal of property, plant and equipment, net	5,480	147,544
Increase in refundable deposits, net	(529)	(16)
Increase in deferred charges	(241,421)	(238,555)
Decrease in financial liabilities at fair value through profit or loss - current	0	(2,771)
Decrease in derivative financial liabilities for hedging- non current	0	(2,374)
Net Cash Flows used in Investing Activities	<u>(1,057,750)</u>	<u>(158,130)</u>
<u>Cash Flows from Financing Activities :</u>		
Decrease in short-term debts, net	(621,977)	(1,580,731)
Employee stock warranty exercised	26,406	107,591
Employee bonuses paid	(290,708)	(180,847)
Director' and supervisors' remuneration	(6,000)	(6,000)
Cash dividends paid	(1,525,332)	(1,359,988)
Disposal of treasury stock ,net	329,653	62,993
Net Cash Flows used in Financing Activities	<u>(2,087,958)</u>	<u>(2,956,982)</u>
Net increase in Cash and Cash Equivalents	1,934,738	686,636
Cash and Cash Equivalents at beginning of year	8,367,454	5,025,785
Cash and Cash Equivalents at end of year	<u>10,302,192</u>	<u>5,712,421</u>

\*Reviewed by external auditor