

**MITAC INTERNATIONAL CORP.**  
**BALANCE SHEET**  
**As of MAR. 31, 2008 and 2007**  
**(Figures in thousand of New Taiwan Dollors)**

ASSETS	Mar 31.2008	Mar 31. 2007	LIABILITIES	Mar 31.2008	Mar 31. 2007
Current Assets			Current Liabilities		
Cash and cash equivalents	10,792,292	5,981,835	Short-term loans	3,480,745	1,934,197
Financial assets at fair value through profit or loss - current	92,469	-	Financial liabilities at fair value through profit or loss - current	41,687	25,542
Accounts receivable and notes receivable - net	12,776,962	13,690,861	Accounts payable and notes payable	10,062,264	8,585,632
Inventories - net	7,702,007	7,494,446	Current portion of long-term debts	3,500,000	-
Other current assets	1,193,926	776,902	Other current liabilities	5,646,855	5,197,009
Subtotal for current assets	<u>32,557,656</u>	<u>27,944,044</u>	Subtotal for current liabilities	<u>22,731,551</u>	<u>15,742,380</u>
Funds and Investments			Long-term liabilities		
Available-for-sale financial assets – noncurrent	1,021,342	961,035	Hedging derivative financial liabilities	4,586	21,832
Financial assets carried at cost – noncurrent	884,298	884,298	Bonds payables	1,500,000	5,000,000
Long-term investments accounted for under the equity method	19,964,346	17,437,924	Subtotal for long-term liabilities	<u>1,504,586</u>	<u>5,021,832</u>
Subtotal for Funds and Investments	<u>21,869,986</u>	<u>19,283,257</u>	Other liabilities	584,679	927,307
Other financial assets-non current	18,500	18,500	Total Liabilities	<u>24,820,816</u>	<u>21,691,519</u>
Property, plant and equipment - net	<u>2,229,584</u>	<u>2,189,344</u>	<b>STOCKHOLDERS' EQUITY</b>		
Other Assets	<u>1,803,235</u>	<u>1,210,133</u>	Common Stock	14,570,202	12,822,266
Total Assets	<u><u>58,478,961</u></u>	<u><u>50,645,278</u></u>	Capital reserve	4,160,960	3,100,666
			Retained earnings	14,345,922	12,054,806
			Unrealized gains(loss) on financial instruments	803,105	732,532
			Cumulative translation adjustments	387,459	729,927
			Treasury stock	<u>(609,503)</u>	<u>(486,438)</u>
			Total Stockholders' equity	<u>33,658,145</u>	<u>28,953,759</u>
			Total Liabilities and Stockholders' Equity	<u><u>58,478,961</u></u>	<u><u>50,645,278</u></u>

\*Reviewed by external auditor

**MITAC INTERNATIONAL CORP.**  
**INCOME STATEMENT**  
**FOR THE THREE MONTHS ENDED MAR. 31, 2008 AND 2007**  
(Expressed in thousand of New Taiwan Dollors,except for EPS)

	For the three months ended	
	<u>Mar. 31, 2008</u>	<u>Mar. 31, 2007</u>
Operating revenues - net	15,132,364	17,897,720
Operating cost	<b>(13,473,781)</b>	<b>(16,050,384)</b>
Gross profit	1,658,583	1,847,336
Operating expenses		
Selling expenses	<b>(618,139)</b>	<b>(451,849)</b>
Administrative expenses	<b>(113,440)</b>	<b>(130,873)</b>
Research and development expenses	<b>(410,065)</b>	<b>(393,670)</b>
Total operating expenses	<b>(1,141,644)</b>	<b>(976,392)</b>
Operating income	516,939	870,944
Non-operating income and expenses - net	308,250	327,022
Income before income tax	825,189	1,197,966
Income tax	<b>(107,275)</b>	<b>(155,724)</b>
Net income	<u>717,914</u>	<u>1,042,242</u>
EPS(NTD)	<u>0.50</u>	<u>0.77</u>

\*Reviewed by external auditor

**MITAC INTERNATIONAL CORP.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE THREE MONTHS ENDED MAR. 31, 2008 AND 2007**  
**(Figures in thousand of New Taiwan Dollors)**

	For the three months ended	
	<u>Mar. 31, 2008</u>	<u>Mar. 31, 2007</u>
<u>Cash Flows from Operating Activities :</u>		
Net income	717,914	1,042,242
Gain on reversal of bad debt expenses	-	(3,719)
Depreciation	44,618	41,754
Amortization	59,572	61,362
Loss (Gain) on valuation of financial assets	(92,469)	1,406
Loss on valuation of financial liabilities	19,877	2,617
Long -term investment income accounted for under equity method	(246,969)	(302,641)
Gain on disposal of fixed assets	(1,387)	(690)
Gain from price recovery of inventory	(6,921)	(67,735)
Changes in assets and liabilities	821,087	(586,672)
Net Cash Flows provided by Operating Activities	<u>1,315,322</u>	<u>187,924</u>
<u>Cash Flows from Investing Activities :</u>		
Increase in other financial assets - current	(4,000)	-
Increase in long-term equity investments accounted for under the equity method	(65,000)	(659,360)
Acquisition of fixed assets and other assets	(55,220)	(33,481)
Proceeds from disposal of fixed assets	2,211	2,249
Decrease (Increase) in refundable deposits, net	541	(119)
Increase in deferred charges	(78,887)	(30,663)
Net Cash Flows used in Investing Activities	<u>(200,355)</u>	<u>(721,374)</u>
<u>Cash Flows from Financing Activities :</u>		
Decrease in short-term debts, net	(62,752)	(1,943,481)
Employee stock warranty exercised	5,421	14,803
Acquisition of treasury stock	(237,557)	-
Disposal treasury stock ,net	-	76,509
Net Cash Flows used in Financing Activities	<u>(294,888)</u>	<u>(1,852,169)</u>
Net (decrease) increase in Cash and Cash Equivalents	820,079	(2,385,619)
Cash and Cash Equivalents at beginning of year	9,972,213	8,367,454
Cash and Cash Equivalents at end of year	<u>10,792,292</u>	<u>5,981,835</u>

\*Reviewed by external auditor