

MITAC INTERNATIONAL CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
As of JUN. 30, 2008 and 2007
(Figures in thousand of New Taiwan Dollars)

ASSETS	Jun. 30, 2008	Jun. 30, 2007	LIABILITIES	Jun. 30, 2008	Jun. 30, 2007
Current Assets			Current Liabilities		
Cash and cash equivalents	11,591,995	12,547,843	Short-term loans	2,529,207	4,482,162
Financial assets at fair value through profit or loss - current	28,234	22,261	Financial liabilities at fair value through profit or loss - current	44,857	-
Available-for-sale financial assets – current	838,551	713,598	Hedging derivative financial liabilities - current	512	-
Accounts receivable and notes receivable - net	12,217,911	15,803,951	Accounts payable and notes payable	11,093,052	14,994,940
Inventories - net	10,088,491	9,628,758	Current portion of long-term debts	4,500,000	500,000
Other current assets	<u>1,897,015</u>	<u>2,442,118</u>	Other current liabilities	<u>9,985,908</u>	<u>11,107,583</u>
Subtotal for current assets	<u>36,662,197</u>	<u>41,158,529</u>	Subtotal for current liabilities	<u>28,153,536</u>	<u>31,084,685</u>
			Long-term liabilities		
Funds and Investments			Hedging derivative financial liabilities – non current	-	15,448
Available-for-sale financial assets – non current	1,089,436	1,286,172	Bonds payables	-	4,500,000
Financial assets carried at cost – non current	1,539,950	1,146,780	Long-term loans	-	<u>3,274</u>
Long-term investments accounted for under the equity method	<u>9,679,511</u>	<u>8,538,336</u>	Subtotal for long-term liabilities	<u>-</u>	<u>4,518,722</u>
Subtotal for Funds and Investments	<u>12,308,897</u>	<u>10,971,288</u>	Other liabilities	<u>668,180</u>	<u>1,138,297</u>
Other financial assets-non current	<u>38,327</u>	<u>42,189</u>	Total Liabilities	<u>28,821,716</u>	<u>36,741,704</u>
			<u>STOCKHOLDERS' EQUITY</u>		
Property, plant and equipment - net	<u>8,368,582</u>	<u>13,409,424</u>	Common Stock	15,353,689	14,045,053
			Capital reserve	4,111,998	2,897,923
Intangible Assets	<u>1,489,056</u>	<u>1,382,161</u>	Retained earnings	11,712,727	10,392,518
			Unrealized gains on financial instruments	473,517	1,037,850
Other Assets	<u>1,521,644</u>	<u>1,552,407</u>	Cumulative translation adjustments	524,559	1,007,894
			Treasury stock	<u>(609,503)</u>	<u>(208,830)</u>
			Minority Interest	-	2,601,886
			Total Stockholders' equity	<u>31,566,987</u>	<u>31,774,294</u>
Total Assets	<u>60,388,703</u>	<u>68,515,998</u>	Total Liabilities and Stockholders' Equity	<u>60,388,703</u>	<u>68,515,998</u>

*Reviewed by external auditor

MITAC INTERNATIONAL CORP. AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENT
FOR THE SIX MONTHS ENDED JUN. 30, 2008 AND 2007
(Expressed in thousand of New Taiwan Dollars, except for EPS)

	<u>For the six months ended</u>	
	<u>Jun. 30, 2008</u>	<u>Jun. 30, 2007</u>
Operating revenues - net	32,507,964	43,202,755
Operating cost	<u>(27,791,853)</u>	<u>(36,803,829)</u>
Gross profit	4,716,111	6,398,926
Operating expenses		
Selling expenses	(1,683,890)	(1,896,157)
Administrative expenses	(934,623)	(791,158)
Research and development expenses	(1,311,248)	(1,364,046)
Total operating expenses	<u>(3,929,761)</u>	<u>(4,051,361)</u>
Operating income	786,350	2,347,565
Non-operating income and expenses - net	658,544	653,985
Income before income tax	1,444,894	3,001,550
Income tax	<u>(241,195)</u>	<u>(403,907)</u>
Consolidated income	<u>1,203,699</u>	<u>2,597,643</u>
Belongs to:		
Consolidated net income	1,203,699	2,412,772
Minority interest income	-	184,871
	<u>1,203,699</u>	<u>2,597,643</u>
Basic EPS(NTD)		
Income before minority interest	0.80	1.80
Minority interest	-	(0.13)
Net income	<u>0.80</u>	<u>1.67</u>

*Reviewed by external auditor

MITAC INTERNATIONAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUN. 30, 2008 AND 2007
(Figures in thousand of New Taiwan Dollars)

	For the six months ended	
	Jun. 30, 2008	Jun. 30, 2007
<u>Cash Flows from Operating Activities :</u>		
Consolidated income	1,203,699	2,597,643
Bad debt expenses (Gain on reversal of bad debt expenses)	5,162	(15,631)
Depreciation	618,415	970,426
Amortization	227,142	356,614
Gain on valuation of financial assets	(29,934)	(22,751)
Loss (Gain) on valuation of financial liabilities	23,046	(19,873)
Long-term investment income accounted for under equity method	(350,442)	(414,082)
Gain on disposal of investments	(49,071)	(35,703)
Loss on disposal of fixed assets	41,268	10,832
Changes in assets and liabilities	(1,844,585)	2,768,376
Net Cash Flows (used in) provided by Operating Activities	<u>(155,300)</u>	<u>6,195,851</u>
<u>Cash Flows from Investing Activities :</u>		
Decrease in financial assets at fair value through profit or loss - current	-	2,069
Decrease in available-for-sale financial assets – current	-	5,553
Increase in available-for-sale financial assets/financial assets carried at cost– non current and long-term investments accounted for under the equity method	(20,034)	(26,608)
Proceeds from disposal of investements	279,030	140,447
Decrease (Increase) in other financial assets	557,737	(4,244)
Acquisition of fixed assets	(462,515)	(844,608)
Proceeds from disposal of fixed assets	104,973	164,257
Increase in intangible assets	-	(367,086)
Decrease (Increase) in other assets- other	771	(18,522)
Increase in deferred charges	(244,607)	(240,150)
Decrease in refundable deposits, net	9,163	21,171
Decrease in financial liabilities at fair value through profit or loss - current	-	(18,133)
Net Cash Flows provided by (used in) Investing Activities	<u>224,518</u>	<u>(1,185,854)</u>
<u>Cash Flows from Financing Activities :</u>		
Decrease in short-term debts, net	(1,814,623)	(3,619,061)
Decrease in commercial paper payable, net	(44,000)	(130,000)
Increase (Decrease) in deposit-in	11,712	(11,038)
Employee stock warranty exercised	7,210	22,039
Disposal of treasury stock	-	329,653
Acquisition of treasury stock	(237,557)	-
Repayment of bonds	(500,000)	-
Net Cash Flows used in Financing Activities	<u>(2,577,258)</u>	<u>(3,408,407)</u>
Effects of changes in exchange rates	(311,254)	(37,891)
Net (decrease) increase in Cash and Cash Equivalents	<u>(2,819,294)</u>	1,563,699
Cash and Cash Equivalents at beginning of year	<u>14,411,289</u>	<u>10,984,144</u>
Cash and Cash Equivalents at end of year	<u>11,591,995</u>	<u>12,547,843</u>

*Reviewed by external auditor