

MITAC INTERNATIONAL CORP.
STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED JUNE 30, 2003 AND 2002
(Figures in thousand of New Taiwan Dollors)

	<u>2Q 2003</u>	<u>2Q 2002</u>
<u>Cash Flows from Operating Activities :</u>		
Net income	342,058	637,368
Depreciation	130,476	163,337
Amortization	88,260	21,098
Long -term investment income accounted for under equity method	(209,574)	(471,064)
Gain on disposal of investments	(67,885)	(297,535)
Gain on disposal of fixed assets	(735)	(6,560)
Changes in assets and liabilities	207,084	(1,076,340)
Net Cash Flows Used in Operating Activities	<u>489,684</u>	<u>(1,029,696)</u>
<u>Cash Flows from Investing Activities :</u>		
Increase in marketable securities ,net	(158,059)	(839,784)
Proceeds from disposal of Long-term investments	251,666	508,279
Increase in Long -term investments	(183,848)	(223,230)
Acquisition of fixed assets	(43,922)	(58,226)
Proceeds from disposal of fixed assets	2,733	158,764
Increase in deferred charges	(78,403)	(63,845)
Increase in other assets,net	(2,795)	(2,888)
Decrease in refundable deposits,net	2,732	3,910
Net Cash Flows Used in Investing Activities	<u>(209,896)</u>	<u>(517,020)</u>
<u>Cash Flows from Financing Activities :</u>		
Increase in short-term debts,net	1,295,485	872,734
Increase in longt-term debts,net	500,000	
redeem bond payable	(1,830,748)	
bouns paid to emplyee	(77,842)	
Increase in guarantee deposits	175	
Net Cash Flows provided by FinancingActivities	<u>(112,930)</u>	<u>872,734</u>
Net decrease in Cash and Cash Equivalents	166,858	(673,982)
Cash and Cash Equivalents at beginning of year	<u>329,740</u>	<u>813,864</u>
Cash and Cash Equivalents at end of year	<u><u>496,598</u></u>	<u><u>139,882</u></u>

*Have been audited by external auditor