

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

| | 3Q 2003 | 3Q 2002 |
|---|-----------------------|-----------------------|
| <u>Cash Flows from Operating Activities :</u> | | |
| Net income | 728,141 | 799,827 |
| Depreciation | 194,607 | 233,890 |
| Amortization | 124,443 | 34,633 |
| Long -term investment income accounted for under equity method | (395,847) | (639,562) |
| Cash dividends from long-term investment accounted for under equity method | 91,022 | 114,820 |
| Gain on disposal of investments | (81,122) | (321,911) |
| Gain on disposal of fixed assets | (1,066) | (7,243) |
| Changes in assets and liabilities | (509,360) | (1,851,742) |
| Net Cash Flows Used in Operating Activities | <u>150,818</u> | <u>(1,637,288)</u> |
| <u>Cash Flows from Investing Activities :</u> | | |
| Increase in marketable securities ,net | (1,232,166) | (175,128) |
| Proceeds from disposal of Long-term investments | 271,182 | 553,152 |
| Increase in Long -term investments | (312,921) | (271,359) |
| Acquisition of fixed assets | (77,570) | (74,845) |
| Proceeds from disposal of fixed assets | 3,888 | 190,409 |
| Increase in deferred charges | (82,652) | (115,440) |
| Increase in other assets,net | (2,866) | (2,887) |
| Decrease in refundable deposits,net | 10 | 3,598 |
| Net Cash Flows Used in Investing Activities | <u>(1,433,095)</u> | <u>107,500</u> |
| <u>Cash Flows from Financing Activities :</u> | | |
| Increase in short-term debts,net | 3,033,348 | 1,366,519 |
| Increase in longt-term debts,net | 500,000 | 0 |
| redeem bond payable | (1,830,748) | 0 |
| bouns paid to emplyee | (77,842) | 0 |
| Cash dividends paid | (208,276) | (99,393) |
| Director' and supervisors' remuneration | (4,000) | (10,000) |
| Acpuisition and disposal treasury stock | (179,368) | 0 |
| Increase in guarantee deposits | 175 | 0 |
| Net Cash Flows provided by FinancingActivities | <u>1,233,289</u> | <u>1,257,126</u> |
| Net decrease in Cash and Cash Equivalentents | (48,988) | (272,662) |
| Cash and Cash Equivalentents at beginning of year | <u>329,740</u> | <u>813,864</u> |
| Cash and Cash Equivalentents at end of year | <u><u>280,752</u></u> | <u><u>541,202</u></u> |

*Have been reviewed by external auditor