

MITAC INTERNATIONAL CORP.
STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED MAR. 31, 2004 AND 2003
(Figures in thousand of New Taiwan Dollors)

	1Q 2004	1Q 2003
<u>Cash Flows from Operating Activities :</u>		
Net income	451,069	175,431
Depreciation	65,741	65,327
Amortization	73,701	49,022
Long -term investment income accounted for under equity method	(238,570)	(95,103)
Gain on disposal of investments	(8,707)	(51,092)
(Gain) loss on disposal of fixed assets	179	(231)
Changes in assets and liabilities	622,115	(526,526)
Net Cash Flows Used in Operating Activities	965,528	(383,172)
<u>Cash Flows from Investing Activities :</u>		
Increase in marketable securities ,net	(509,590)	(236,468)
Proceeds from disposal of Long-term investments	14,724	207,810
Increase in Long -term investments	(18,005)	0
Acquisition of fixed assets	(38,592)	(13,093)
Proceeds from disposal of fixed assets	2,195	1,556
Increase in deferred charges	(43,204)	(51,573)
Decrease in refundable deposits,net	10	1,005
Net Cash Flows Used in Investing Activities	(592,462)	(90,763)
<u>Cash Flows from Financing Activities :</u>		
Increase in short-term debts,net	(416,056)	326,274
Employee stock warranty exercised	80,476	0
Acquisition and disposal treasury stock	(118,166)	0
Net Cash Flows provided by Financing Activities	(453,746)	326,274
Net decrease in Cash and Cash Equivalents	(80,680)	(147,661)
Cash and Cash Equivalents at beginning of year	657,623	329,740
Cash and Cash Equivalents at end of year	576,943	182,079

*Have been reviewed by external auditor