

MITAC INTERNATIONAL CORP.
STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED JUNE 30, 2004 AND 2003
(Figures in thousand of New Taiwan Dollors)

	2Q 2004	2Q 2003
<u>Cash Flows from Operating Activities :</u>		
Net income	902,719	342,058
Depreciation	129,821	130,476
Amortization	100,166	88,260
Long -term investment income accounted for under equity method	(428,338)	(209,574)
Gain on disposal of investments	(18,273)	(67,885)
Gain on disposal of fixed assets	(216)	(735)
Gain on disposal of other assets	(73,017)	0
Changes in assets and liabilities	290,999	207,084
Net Cash Flows Used in Operating Activities	<u>903,861</u>	<u>489,684</u>
<u>Cash Flows from Investing Activities :</u>		
Increase in marketable securities ,net	(61,979)	(158,059)
Proceeds from disposal of Long-term investments	14,725	251,666
Increase in Long -term investments	(38,005)	(183,848)
Acquisition of fixed assets	(73,425)	(43,922)
Proceeds from disposal of fixed assets	4,302	2,733
Proceeds from disposal of other assets	233,693	0
Increase in deferred charges	(52,570)	(78,403)
Increase in other assets,net	0	(2,795)
Decrease in refundable deposits,net	11	2,732
Net Cash Flows Used in Investing Activities	<u>26,752</u>	<u>(209,896)</u>
<u>Cash Flows from Financing Activities :</u>		
Increase in short-term debts,net	(2,692,320)	1,295,485
Increase in longt-term debts,net	2,000,000	500,000
Redeem bond payable	0	(1,830,748)
Employee stock warranty exercised	90,297	0
Bouns paid to employee	0	(77,842)
Acpuisition and disposal treasury stock	(321,751)	0
Increase in guarantee deposits	0	175
Net Cash Flows provided by FinancingActivities	<u>(923,774)</u>	<u>(112,930)</u>
Net decrease in Cash and Cash Equivalents	6,839	166,858
Cash and Cash Equivalents at beginning of year	657,623	329,740
Cash and Cash Equivalents at end of year	<u>664,462</u>	<u>496,598</u>

*Have been audited by external auditor