

Hsing Michael
 Form 4
 February 27, 2007

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549**

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
 Hsing Michael

2. Issuer Name and Ticker or Trading Symbol
 MONOLITHIC POWER SYSTEMS INC [MPWR]

5. Relationship of Reporting Person(s) to Issuer
 (Check all applicable)

(Last) (First) (Middle)
 6409 GUADALUPE MINES ROAD
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 02/26/2007

Director 10% Owner
 Officer (give title below) Other (specify below)
 CEO

SAN JOSE, CA 95120

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|----------------------------------------------------------|-----------------------------------|
| | | | Code | V | Amount | (D) | Price |
| Common Stock | 02/26/2007 ⁽¹⁾ | | M | | 65,000 | A | \$ 1.32 |
| | | | | | | | 887,144 |
| Common Stock | 02/26/2007 | | S | | 65,000 | D | \$ 13.3728 |
| | | | | | | | 822,144 |
| Common Stock | 02/27/2007 ⁽¹⁾ | | M | | 70,000 | A | \$ 1.32 |
| | | | | | | | 892,144 |
| Common Stock | 02/27/2007 | | S | | 70,000 | D | \$ 13.0068 |
| | | | | | | | 822,144 |
| | 02/27/2007 ⁽¹⁾ | | M | | 80,000 | A | \$ 1.32 |
| | | | | | | | 902,144 |

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| | | | | | | | | | |
|--------------|------------|--|------------------|-------|---|-------------------|---------|---|----------------------|
| Common Stock | | | | | | | | | |
| Common Stock | 02/26/2007 | | S ⁽³⁾ | 5,000 | D | \$ 13.419 (2) | 275,897 | I | By Jointly w/Spouse |
| Common Stock | 02/27/2007 | | S ⁽³⁾ | 5,000 | D | \$ 13.0812 (2) | 270,897 | I | By Jointly w/Spouse |
| Common Stock | | | | | | | 133,040 | I | By S. Hsing 04 Trust |
| Common Stock | | | | | | | 133,040 | I | by M Hsing 04 Trust |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

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(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | Amount or Number of Shares | |
|--------------------------------------------|--------------------------------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-----------------------------------------------------------------------------------------|----------------------------------------------------------|---------------------------------------------------------------|----------------------------|----------------------------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| Incentive Stock Option (right to buy) | \$ 1.32 | 02/26/2007 ⁽⁴⁾ | | M | 65,000 | 07/17/2004 | 07/17/2007 ⁽⁵⁾ | Common Stock | 65,000 |
| Incentive Stock Option (right to buy) | \$ 1.32 | 02/27/2007 ⁽⁴⁾ | | M | 70,000 | 07/17/2005 | 07/17/2007 ⁽⁵⁾ | Common Stock | 70,000 |
| Incentive Stock Option | \$ 1.32 | 02/27/2007 ⁽⁴⁾ | | M | 80,000 | 07/17/2005 | 07/17/2007 ⁽⁵⁾ | Common Stock | 80,000 |

(right to
buy)

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|------------------------------------------------------------------|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| Hsing Michael 6409 GUADALUPE MINES ROAD SAN JOSE, CA 95120 | X | | CEO | |

Signatures

Michael Hsing 02/27/2007

**Signature of Date
Reporting Person

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Option shares will expire if not exercised on or before July 17, 2007.
- (2) Average price per share
- (3) In accordance with the reporting person's 10b5-1 trading plan.
- (4) Shares exercised are subject to expiration on July 17, 2007.
- (5) Option shares expire five years from grant date if not exercised.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.