

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

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person* <u>Xiao Deming</u> _____ (Last) (First) (Middle) 6409 GUADALUPE MINES ROAD _____ (Street) SAN JOSE CA 95120 _____ (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>MONOLITHIC POWER SYSTEMS INC</u> [MPWR]	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner X Officer (give title below) Other (specify below) VP, Operations
	3. Date of Earliest Transaction (Month/Day/Year) 02/26/2007	
4. If Amendment, Date of Original Filed (Month/Day/Year)		

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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	02/26/2007		M		8,334	A	\$1.2	25,209	D	
Common Stock	02/26/2007		S		8,334	D	\$13.45 ⁽¹⁾	16,875	D	
Common Stock	02/26/2007		M		11,666	A	\$1.2	28,541	D	
Common Stock	02/26/2007		S		11,666	D	\$13.45 ⁽¹⁾	16,875	D	
Common Stock								86,333	I	By Parent
Common Stock								2,568	I	by Spouse ⁽²⁾

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 Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date						Title
Incentive Stock Option (right to buy)	\$1.2	02/26/2007		M		8,334		10/16/2003 ⁽³⁾	10/15/2012	Common Stock	8,334	\$13.45	48,333	D	
Incentive Stock Option (right to buy)	\$1.2	02/26/2007		M		11,666		09/10/2004	10/15/2012	Common Stock	11,666	\$13.45	36,667	D	

Explanation of Responses:

- Average price per share
- Represent shares owned by the reporting person's spouse.
- 18,334 of the shares subject to the option are vested on 11/16/04; the remaining shares vest at a rate of 1,666.67 shares per month over 23 months.

Deming Xiao 02/27/2007
 ** Signature of Reporting Person Date

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

* 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).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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 Number.