

GOLDEN BRIDGE ELECTECH INC.

Consolidated Statements of Cash Flows For the years ended December 31, 2005 and 2004 (expressed in thousands of New Taiwan dollars)

	<u>2005</u>	<u>2004</u>
Cash flows from operating activities:		
Net income	\$ 140,647	\$ 113,061
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	18,380	20,622
Provision for asset valuation	(11,984)	15,002
Investment income under the equity method, net	(18,572)	(28,547)
Inductive convert expenses of convertible bond	10,869	0
Provision for assets impairment loss	10,330	0
Increase in notes and accounts receivable	(28,067)	(177,530)
Decrease (increase) in inventories	18,604	(55,244)
Decrease (increase) in accounts receivable-related parties	(14,982)	2,254
Decrease in other financial assets	8,486	5,665
Decrease (increase) in prepaid and other current assets	6,387	(185)
Increase (decrease) in notes and accounts payable	(79,585)	15,916
Increase in accrued expenses and other current liabilities	11,838	13,543
Increase (decrease) in income tax payable	(35,597)	6,339
Other	4,956	2,826
Net cash provided by (used in) operating activities	<u>41,710</u>	<u>(66,278)</u>
Cash flows from investing activities:		
Increase in long-term equity investments	0	(3,371)
Increase in refundable deposits	(170)	0
Decrease in short-term investments	5,000	30,064
Acquisition of patent	(15,000)	-
Sells the asset	1,280	2,428
Purchase fixed asset	(3,058)	(2,040)
Other	(396)	(3,119)
Net cash provided by (used in) investing activities	<u>(12,344)</u>	<u>23,962</u>
Cash flows from financing activities:		
Increase (decrease) in long(short)-term loans	(85,000)	73,062
Purchase treasury stock	(35,620)	-
Issue Convertible bonds	-	350,000
Payment of cash dividends	(58,383)	(68,000)
Proceeds from exercises of stock options	6,749	0
Distribution of directors' and supervisors' remuneration	(706)	(643)
Other	1,384	150
Net cash provided by (used in) financing activities	<u>(171,576)</u>	<u>354,569</u>
Net increase (decrease) in cash and cash equivalents	(142,210)	312,253
Cash and cash equivalents at beginning of year	415,338	103,085
Cash and cash equivalents at end of year	<u>\$ 273,128</u>	<u>\$ 415,338</u>
Cash paid during the period for:		
Interest	<u>\$ 115</u>	<u>\$ 1,011</u>
Income taxes	<u>\$ 33,960</u>	<u>\$ 43</u>
Supplementary disclosures of investing and financing activities not affecting cash flows:		
Long-term equity investments reclassified to short-term investments	<u>\$ -</u>	<u>\$ 3,081</u>
Fixed assets transferred to other assets	<u>\$ 79,498</u>	<u>\$ -</u>
Convertible bonds payable and others transferred to capital stock and capital surplus	<u>\$ 86,386</u>	<u>\$ 13,450</u>
Provision for land value increment tax transferred to capital surplus from assets revaluation	<u>\$ 5,094</u>	<u>\$ -</u>