

**GOLDEN BRIDGE ELECTECH INC.**  
**Consolidated Statements of Cash Flows**  
**For the years ended June 30, 2005 and 2004**  
**(expressed in thousands of New Taiwan dollars)**

	<u>2005</u>	<u>2004</u>
<b>Cash flows from operating activities:</b>		
Net income	\$ 24,648	48,765
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	10,520	11,564
Provision for asset valuation	5,453	13,863
Investment income under the equity method, net	5,775	(24,103)
Increase in notes and accounts receivable	567	(158,855)
Decrease (increase) in inventories	5,859	(75,104)
Decrease in accounts receivable-related parties		
Decrease (increase) in other financial assets	4,912	4,055
Decrease (increase) in prepaid and other current assets	3,983	8,291
Increase of impairment loss	6,730	
Decrease (increase) in other assets	(13,920)	(2,924)
Increase in notes and accounts payable	(79,279)	46,065
Increase (decrease) in accrued expenses and other current liabilities	(9,346)	16,847
Decrease in income tax payable	(2,129)	(3,695)
Other	1,235	(864)
Net cash provided by (used in) operating activities	<u>(34,992)</u>	<u>(116,095)</u>
<b>Cash flows from investing activities:</b>		
Decrease (increase) in long-term equity investments		(3,371)
Decrease (increase) in short-term investments	5,000	(104,000)
Sells the fixed asset	1,032	1,707
Purchase fixed asset	(351)	(734)
Increase (decrease) in deferred expenses		
Other	(388)	
Net cash provided by (used in) investing activities	<u>5,293</u>	<u>(106,398)</u>
<b>Cash flows from financing activities:</b>		
Issue convertible bonds		350,000
Increase (decrease) in long(short)-term loans	(100,000)	- 66,938
Proceeds from exercises of stock options		
Stock option converted into common stock	3,576	
Repays the long-term loan		
Other		15
Net cash provided by (used in) financing activities	<u>(96,424)</u>	<u>283,077</u>
Net increase (decrease) in cash and cash equivalents	(126,123)	60,584
Cash and cash equivalents at beginning of year	415,338	103,085
Cash and cash equivalents at end of year	<u>\$ 289,215</u>	<u>163,669</u>
Cash paid during the period for:		
Interest	\$ 79	923
Income taxes	<u>\$ 17,741</u>	<u>7</u>
Supplementary disclosures of investing and financing activities not affecting cash flows:		
Long-term equity investments reclassified to short-term investments		3,081
Convertible bonds payable and others transferred to capital stock and capital surplus	<u>\$ 71,200</u>	
Long-term loans – current portion		
Provision for land value increment tax transferred to capital surplus from assets revaluation	\$ 5,093	
Cash dividends & Remuneration of directors and supervisors	<u>\$ 59,089</u>	<u>68,643</u>