

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

	<u>2005</u>	<u>2004</u>
<b>Cash flows from operating activities:</b>		
Net income	\$ 59,489	93,003
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	14,470	17,423
Provision for asset valuation	7,592	13,513
Investment income under the equity method, net	(6,557)	(29,916)
Increase in notes and accounts receivable	(42,928)	(202,958)
Increase in inventories	(34,653)	(60,333)
Decrease in accounts receivable-related parties		
Decrease in other financial assets	6,824	6,325
Decrease in prepaid and other current assets	5,829	1,180
Increase of impairment loss	6,730	
Increase in other assets	(15,000)	
Increase (decrease) in notes and accounts payable	(12,260)	42,958
Increase (decrease) in accrued expenses and other current liabilities	(4,782)	10,466
Increase in deferred income tax liabilities	5,187	5,537
Other	3,571	(680)
Net cash provided by (used in) operating activities	<u>(6,488)</u>	<u>(103,482)</u>
<b>Cash flows from investing activities:</b>		
Increase in long-term equity investments	0	(3,371)
存出保證金增加 Increase in refundable deposits	(170)	0
Decrease in short-term investments	5,000	30,064
Proceeds from disposal of fixed and idle assets	1,032	2,428
Purchase fixed asset	(1,177)	(911)
Increase in deferred expenses	(396)	(3,156)
Other	0	0
Net cash provided by (used in) investing activities	<u>4,289</u>	<u>25,054</u>
<b>Cash flows from financing activities:</b>		
Purchase treasury stock	(11,331)	
Issue convertible bonds		350,000
Decrease in long(short)-term loans	(120,000)	(76,938)
Increase in deposit in security	1,384	15
Stock option converted into common stock	3,576	
Payment of cash dividends and distribution of directors' and supervisors' remuneration	(59,088)	(68,000)
Other		
Net cash provided by (used in) financing activities	<u>(185,459)</u>	<u>205,077</u>
Net increase (decrease) in cash and cash equivalents	(187,658)	126,649
Cash and cash equivalents at beginning of year	415,338	103,085
Cash and cash equivalents at end of year	<u>\$ 227,680</u>	<u>229,734</u>
Cash paid during the period for:		
Interest	\$ 86	1,007
Income taxes	<u>\$ 16,275</u>	<u>13</u>
Supplementary disclosures of investing and financing activities not affecting cash flows:		
Long-term equity investments reclassified to short-term investments		3,081
Fixed assets transferred to other assets	<u>\$ 74,369</u>	
Convertible bonds payable and others transferred to capital stock and capital surplus	<u>\$ 84,767</u>	<u>3,810</u>
Provision for land value increment tax transferred to capital surplus from assets revaluation	<u>\$ 5,093</u>	