

GOLDEN BRIDGE ELECTECH INC.
Statements of Cash Flows
For the years ended December 31, 2006 and 2005
(expressed in thousands of New Taiwan dollars)

	<u>2006</u>	<u>2005</u>
Cash flows from operating activities:		
Net income	\$ 199,767	\$ 140,647
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	13,629	18,380
Provision for asset valuation	11,831	(1,654)
Adjustment of valuation on financial assets at fair value through profit or loss — noncurrent	(9,864)	-
Investment income under the equity method, net	(132,348)	(18,572)
Inductive convert expenses of convertible bond	0	10,869
Decrease (increase) in notes and accounts receivable	55,426	(28,067)
Decrease in inventories	26,749	18,604
Decrease (increase) in accounts receivable-related parties	8,592	(14,982)
Decrease (increase) in other financial assets	(618)	8,486
Decrease (increase) in prepaid and other current assets	2,657	(858)
Decrease in notes and accounts payable	(110,472)	(79,585)
Increase in accrued expenses and other current liabilities	9,454	11,838
Increase (decrease) in deferred income tax	30,067	(28,352)
Other	4,306	4,956
Net cash provided by (used in) operating activities	<u>109,176</u>	<u>41,710</u>
Cash flows from investing activities:		
Increase in refundable deposits	(3,000)	(170)
Decrease (Increase) in financial assets at fair value through profit or loss —noncurrent	(3,380)	5,000
Acquisition of patent and computer software	(12,035)	(15,396)
Sells the asset	340	1,280
Purchase fixed asset	(4,916)	(3,058)
Net cash provided by (used in) investing activities	<u>(22,991)</u>	<u>(12,344)</u>
Cash flows from financing activities:		
Increase (decrease) in long(short)-term loans	(65,000)	(85,000)
Purchase treasury stock	0	(35,620)
Issue Convertible bonds	-	-
Payment of cash dividends	(66,016)	(58,383)
Proceeds from exercises of stock options	10,797	6,749
Distribution of directors' and supervisors' remuneration	(1,266)	(706)
Other	58	1,384
Net cash provided by (used in) financing activities	<u>(121,427)</u>	<u>(171,576)</u>
Net increase (decrease) in cash and bank deposits	(35,242)	(142,210)
Cash and bank deposits at beginning of year	273,128	415,338
Cash and bank deposits at end of year	<u>\$ 237,886</u>	<u>\$ 273,128</u>
Cash paid during the period for:		
Interest	\$ 121	\$ 115
Income taxes	<u>\$ 24,966</u>	<u>\$ 33,960</u>
Supplementary disclosures of investing and financing activities not affecting cash flows:		
Fixed assets transferred to other assets	\$ -	\$ 79,498
Other assets transferred to fixed assets	<u>\$ 19,584</u>	<u>\$ -</u>
Convertible bonds payable and others transferred to capital stock and capital surplus	<u>\$ 105,933</u>	<u>\$ 97,255</u>
Provision for land value increment tax transferred to capital surplus from assets revaluation	<u>\$ -</u>	<u>\$ 5,094</u>