

# GOLDEN BRIDGE ELECTECH INC.

## Consolidated Statements of Cash Flows For the years ended March 31, 2006 and 2005 (expressed in thousands of New Taiwan dollars)

	<u>2006</u>	<u>2005</u>
<b>Cash flows from operating activities:</b>		
Net income	\$ 59,715	\$ 15,964
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	3,166	5,874
Provision for asset valuation	(679)	8,757
Gain/ loss on valuation of financial assets whose fair value classified as profit and loss	(8,888)	0
Investment income (loss) under the equity method, net	(39,398)	2,076
Decrease (increase) in notes and accounts receivable	111,159	(33,112)
Decrease (increase) in inventories	2,079	(14,657)
Decrease (increase) in accounts receivable-related parties	(12,800)	1,142
Decrease (increase) in other financial assets	(343)	5,176
Decrease (increase) in prepaid and other current assets	(2,152)	3,681
Increase in notes and accounts payable	(94,505)	(25,412)
Increase (decrease) in accrued expenses and other current liabilities	(4,374)	3,002
Increase in income tax payable	6,796	(2,208)
Other	1,488	1,168
Net cash provided by (used in) operating activities	21,264	(28,549)
<b>Cash flows from investing activities:</b>		
Decrease in short-term investments	0	5,000
Sells the asset	340	0
Increase in deferred expenses	0	(15,089)
Other	0	(261)
Net cash provided by (used in) investing activities	340	(10,350)
<b>Cash flows from financing activities:</b>		
Decrease in short-term loans	(65,000)	(150,000)
Proceeds from exercises of stock options	7,024	2,742
Other	56	0
Net cash provided by (used in) financing activities	(57,920)	(147,258)
Net increase (decrease) in cash and cash equivalents	(36,316)	(186,157)
Cash and cash equivalents at beginning of year	273,128	415,338
Cash and cash equivalents at end of year	\$ 236,812	\$ 229,181
Cash paid during the period for:		
Interest	\$ 79	\$ 78
Income taxes	\$ 21	\$ 21
Supplementary disclosures of investing and financing activities not affecting cash flows:		
Long-term equity investments reclassified to short-term investments	\$ 43,538	\$ 51,911
Convertible bonds payable and others transferred to capital stock and capital surplus	\$ -	\$ 5,094
Long-term loans – current portion	\$ -	\$ 5,094
Provision for land value increment tax transferred to capital surplus from assets revaluation	\$ -	\$ 5,094