

**Financial Statement – Statements of Cash Flows**

Provided by: STARK TECHNOLOGY, INC.

Finacial year: Yearly

Unit: NT\$ thousand

Accounting Title	2014/01/01To2014/06/30	2013/01/01To2013/06/30
<b>Statement of cash flows</b>		
Cash flows from (used in) operating activities, indirect method		
Profit (loss) from continuing operations before tax	131,096	184,875
Profit (loss) before tax	131,096	184,875
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expense	13,445	15,110
Amortization expense	3,683	3,734
Provision (reversal of provision) for bad debt expense	1,497	1,500
Interest expense	272	329
Interest income	-3,875	-4,078
Loss (gain) on disposal of property, plan and equipment	-45,751	381
Loss (gain) on disposal of investments	-100	792
Impairment loss on financial assets	49,550	0
Total adjustments to reconcile profit (loss)	18,721	17,768
Changes in operating assets and liabilities		
Changes in operating assets		
Decrease (increase) in notes receivable	-6,546	-5,128
Decrease (increase) in accounts receivable	47,767	370,709
Decrease (increase) in other receivable	-2,448	852
Decrease (increase) in inventories	-252,053	17,584
Decrease (increase) in prepayments	-88,888	-18,109
Decrease (increase) in other current assets	-48	2,978
Total changes in operating assets	-302,216	368,886
Changes in operating liabilities		
Increase (decrease) in notes payable	-5,533	-3,870
Increase (decrease) in accounts payable	158,816	-243,455
Increase (decrease) in other payable	-11,423	17,509
Increase (decrease) in receipts in advance	-22,317	-29,616
Increase (decrease) in other current liabilities	-1,508	-339
Increase (decrease) in accrued pension liabilities	-1,559	-1,598
Total changes in operating liabilities	116,476	-261,369
Total changes in operating assets and liabilities	-185,740	107,517
Total adjustments	-167,019	125,285
Cash inflow (outflow) generated from operations	-35,923	310,160
	3,826	3,110

Interest received		
Interest paid	-344	-406
Income taxes refund (paid)	-23,287	-26,532
Net cash flows from (used in) operating activities	-55,728	286,332
Cash flows from (used in) investing activities		
Acquisition of available-for-sale financial assets	-8,571	-10,000
Proceeds from disposal of available-for-sale financial assets	5,503	2,330
Proceeds from disposal of financial assets at cost	11,476	800
Acquisition of property, plant and equipment	-4,695	-1,061
Proceeds from disposal of property, plant and equipment	82,015	505
Decrease in refundable deposits	8,049	12,321
Acquisition of intangible assets	-39	-386
Increase in other financial assets	-943	0
Decrease in other non-current assets	-1,374	868
Net cash flows from (used in) investing activities	91,421	5,377
Cash flows from (used in) financing activities		
Decrease in short-term loans	-12,625	-19,803
Repayments of long-term debt	0	0
Decrease in guarantee deposits received	48	-572
Net cash flows from (used in) financing activities	-12,577	-20,375
Effect of exchange rate changes on cash and cash equivalents	-4,947	6,957
Net increase (decrease) in cash and cash equivalents	18,169	278,291
Cash and cash equivalents at beginning of period	1,171,615	747,619
Cash and cash equivalents at end of period	1,189,784	1,025,910
Cash and cash equivalents reported in the statement of financial position	1,189,784	1,025,910