

**Statements of Cash Flows**

Provided by: STARK TECHNOLOGY, INC.  
Financial year: Yearly  
Unit?GNT\$ thousand

STARK TECHNOLOGY, INC.  
NON-CONSOLIDATED STATEMENTS OF CASH FLOWS  
Three Months Ended March 31, 2012 AND 2011

(In Thousands of New Taiwan Dollars)  
2012                      2011  
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Cash Flows from Operating Activities - Indirect Method		
Net Income (Loss)	\$84,584	\$70,794
Adjustments to Reconcile Net Income to Net Cash Provided by (Used in) Operating Activities		
Depreciation Expense	7,035	7,755
Amortization Expense	3,452	3,766
Provision (Reversal of Provision) for Bad Debts Losses	5,000	1,500
Employee Bonuses	11,000	11,000
Investment Loss (Income) Recognized under Equity Method	(1,557)	(1,215)
Loss (Gain) on Disposal of Property, Plan and Equipment	(205)	84
Loss (Gain) on Disposal of Investments	39	36
Unrealized Revaluation Loss (Gain) on Financial Assets and Liabilities	(134)	195
Unrealized Gain (Loss) on Intercompany Transactions	0	0
Realized Loss (Gain) on Intercompany Transactions	0	(13)
Loss (Gain) on Deferred Income Tax	8,196	5,786
Changes in Operating Assets and Liabilities		
Decrease (Increase) in Notes Receivable	7,673	10,948
Decrease (Increase) in Accounts Receivable	(36,470)	62,447
Decrease (Increase) in Accounts Receivable - Related Parties	565	1,647
Decrease (Increase) in Other Receivables	(768)	3,746
Decrease (Increase) in Inventories	(145,634)	(50,085)
Decrease (Increase) in Other Prepayments	(31,534)	(4,487)
Decrease (Increase) in Other Current Assets	80	259
Increase (Decrease) in Notes Payable	(53,743)	(1,200)
Increase (Decrease) in Accounts Payable	30,090	41,816
Increase (Decrease) in Accounts Payable - Related Parties	3,045	868
Increase (Decrease) in Income Tax Payable	9,130	8,758
Increase (Decrease) in Accrued Expenses	(27,722)	(20,111)
Increase (Decrease) in Other Payables	(11,105)	(12,138)
Increase (Decrease) in Receipts in Advance	(12,064)	83,554
Increase (Decrease) in Other Current Liabilities	858	783
Increase (Decrease) in Accrued Pension Liabilities	0	1,500
Net Cash Provided by (Used in) Operating Activities	(150,189)	227,993
Cash Flows from Investing Activities		
Acquisition of Available-for-sale Financial Assets	0	0
Proceeds from Disposal of Available-for-sale Financial Assets	1,969	2,182
Acquisition of Financial Assets Carried at Cost	0	0
Purchase of Property, Plant and Equipment	(1,465)	(1,108)
Proceeds from Disposal of Property, Plant and Equipment	952	0
Decrease (Increase) in Refundable Deposits	7,998	12,365
Increase in Deferred Charges	(213)	0
Decrease (Increase) in Restricted Assets	0	642
Decrease (Increase) in Other Assets	244	0
Net Cash Provided by (Used in) Investing Activities	9,485	14,081
Cash Flows from Financing Activities		
Increase (Decrease) in Short-term Loans	11,196	(34,079)
Proceeds from Long-term Debt	0	0
Repayment of Long-term Debt	(2,084)	(8,334)
Increase (Decrease) in Guarantee Deposits Received	183	(861)
Net Cash Provided by (Used in) Financing Activities	9,295	(43,274)
Effect of Exchange Rate Changes	0	0
Net Increase (Decrease) in Cash and Cash Equivalents	(131,409)	198,800
Cash and Cash Equivalents, Beginning of year	574,363	510,977
Cash and Cash Equivalents, End of year	\$442,954	\$709,777

Supplemental Cash Flow Information		
Interest Paid- Excluding Capitalized Interest	\$254	\$372
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Income Tax Paid	\$28	\$38
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Non-cash Investing and Financing Activities		
Current Portion of Long-term Liabilities	\$2,083	\$20,833
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Unrealized Valuation Gains or Losses on Financial Instruments	\$1,729	\$743
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Unrealized Gains or Losses on Financial Instruments Recognized due to Equity Changes in Long-term Investments	\$3,083	\$477
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Cumulative Translation Adjustments	(\$3,765)	(\$170)
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