

**Statements of Cash Flows**

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

STARK TECHNOLOGY, INC.  
 NON-CONSOLIDATED STATEMENTS OF CASH FLOWS  
 Six Months Ended June 30, 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)	\$161,328	\$143,987
Adjustments to Reconcile Net Income to Net Cash Provided by (Used in) Operating Activities		
Depreciation Expense	14,461	15,490
Amortization Expense	6,361	6,985
Provision (Reversal of Provision) for Bad Debts Losses	(233)	400
Employee Bonuses	22,000	24,461
Loss (Gain) on Decline (Recovery) in Market Value, Scrap and Obsolescence of Inventories	(719)	0
Investment Loss (Income) Recognized under Equity Method	(1,386)	(813)
Loss (Gain) on Disposal of Property, Plant and Equipment	(191)	252
Loss (Gain) on Disposal of Investments	39	0
Unrealized Revaluation Loss (Gain) on Financial Assets and Liabilities	0	0
Impairment Losses on Financial Asset	0	600
Unrealized Gain (Loss) on Intercompany Transactions	0	0
Realized Loss (Gain) on Intercompany Transactions	0	(13)
Loss (Gain) on Deferred Income Tax	13,632	11,655
Other Adjustments to Reconcile Net Income	0	0
Changes in Operating Assets and Liabilities		
Decrease (Increase) in Notes Receivable	(2,968)	13,344
Decrease (Increase) in Accounts Receivable	(204,719)	(235,948)
Decrease (Increase) in Accounts Receivable - Related Parties	2,573	9,832
Decrease (Increase) in Other Receivables	(732)	2,161
Decrease (Increase) in Inventories	(89,615)	89,960
Decrease (Increase) in Other Prepayments	(40,549)	(1,239)
Decrease (Increase) in Other Current Assets	32	509
Increase (Decrease) in Financial Liabilities Held for Trading	(134)	677
Increase (Decrease) in Notes Payable	(55,380)	(4,134)
Increase (Decrease) in Accounts Payable	139,017	40
Increase (Decrease) in Accounts Payable - Related Parties	214	904
Increase (Decrease) in Income Tax Payable	(17,309)	(9,393)
Increase (Decrease) in Accrued Expenses	(33,000)	(20,773)
Increase (Decrease) in Other Payables	(4,744)	2,260
Increase (Decrease) in Receipts in Advance	(36,420)	(38,007)
Increase (Decrease) in Other Current Liabilities	2,758	1,760
Increase (Decrease) in Accrued Pension Liabilities	(1,826)	0
Net Cash Provided by (Used in) Operating Activities	(127,510)	14,957
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	22,334
Acquisition of Financial Assets Carried at Cost	0	0
Proceeds from Disposal of Financial Assets Carried at Cost	0	1,701
Acquisition of Investments Accounted for by Equity Method	0	0
Purchase of Property, Plant and Equipment	(2,470)	(2,543)
Proceeds from Disposal of Property, Plant and Equipment	952	0
Decrease (Increase) in Refundable Deposits	11,387	624
Increase in Deferred Charges	(201)	(118)
Decrease (Increase) in Restricted Assets	810	807
Decrease (Increase) in Other Assets	208	0
Net Cash Provided by (Used in) Investing Activities	12,655	22,805
Cash Flows from Financing Activities		
Increase (Decrease) in Short-term Loans	(11,047)	162
Proceeds from Long-term Debt	0	0
Repayment of Long-term Debt	(4,167)	(16,667)
Increase (Decrease) in Guarantee Deposits Received	(793)	(1,281)
Net Cash Provided by (Used in) Financing Activities	(16,007)	(17,786)

Net Increase (Decrease) in Cash and Cash Equivalents	(130,862)	19,976
Cash and Cash Equivalents, Beginning of year	574,363	510,977
Cash and Cash Equivalents, End of year	\$443,501	\$530,953
Supplemental Cash Flow Information		
Interest Paid	\$410	\$558
Capitalized Interest	\$0	\$0
Interest Paid- Excluding Capitalized Interest	\$410	\$558
Income Tax Paid	\$36,108	\$28,242
Non-cash Investing and Financing Activities		
Current Portion of Long-term Liabilities	\$0	\$14,583
Unrealized Valuation Gains or Losses on Financial Instruments	\$1,570	(\$293)
Unrealized Gains or Losses on Financial Instruments Recognized due to Equity Changes in Long-term Investments	\$2,309	(\$2,335)
Cumulative Translation Adjustments	(\$2,820)	(\$1,502)
Cash Dividends Payable	\$252,605	\$248,617