



2004 STATEMENT OF CASH FLOWS-CONTINUED (CONDENSED)

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

2004

CASH FLOWS FROM INVESTING ACTIVITIES:

Net income	\$ 1,494,525
Adjustments to reconcile net income to net cash provided by operating activities	
Reversion of decline - short - term investments	-
Provision (reversion) of decline - operating securities	1,070,724
Provision for allowance for loss on increase of borrowing charges	402
Provision for bad debts	-
Gain on disposal of short-term investments	(232,271)
Gain on long-term equity investments accounted for under the equity method	(387,297)
Loss on disposal of fixed assets (including assets for lease and idle assets)	36,524
Depreciation (including assets for lease and idle assets)	142,052
Amortization	1,771
Provision for trading loss reserve	(29,777)
Interest - premium liability	30,502
Changes in assets and liabilities:	
Short-term investments	(879,607)
Investment in bonds with a put option	(1,392,775)
Operating securities - dealing	2,004,982
Operating securities - underwriting	957,787
Operating securities - hedging	(3,548,149)
Call options - futures	(1,323)
Receivable amount for margin loans	(2,549,114)
Refinancing deposit receivable	18,110
Futures transactions guarantee deposits receivable	(125,126)
Stock borrowing collateral price	(13,598)
Stock borrowing margin	(12,285)
Derivative financial product assets - over - the - counter	(178,898)
Notes receivable	2,591
Accounts receivable	298,371
Prepayments	120,360
Other receivables	130,672
Other current assets	506,672
Deferred income tax	(36,043)
Other financial assets - non- current	-
Deferred loss on financial products	(615,547)
Other assets	-

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Debit items for consigned trades - net	(245,882)
Liabilities for bonds with a call option	4,011,330
Warrants issuance liabilities	(810,375)
Put options - futures	(283)
Securities financing guarantee deposit - in	24,167
Deposit payable for securities financing	148,297
Borrowed securities payable/hedges	(85,006)
Liabilities for derivatives financial products - over- the - counter	542,186
Notes payable	(32,564)
Accounts payable	152,333
Amounts received in advance	(16,131)
Amounts collected for other parties	26,544
Other payables	2,032,307
Other current liabilities	48
Accrued pension liability	36,511
Amounts collected for other parties - underwriting	-
Other liabilities - other	26,310
Net cash provided by operating activities	2,624,027