

YUANTA CORE PACIFIC FUTURES CO., LTD
NON-CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	December 31,	
	2004	2003
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Net income	\$ 159,205	\$ 160,699
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation (including assets for lease and idle assets)	21,526	9,376
Amortization	10,138	8,539
Provision (reserve) for decline - short-term investments	-	(214)
Gain on sale of short-term investments	(589)	(1,163)
(Gain) loss on long-term equity investments accounted for under the equity method	7,306	1,065
Provision for bad debts loss reverse	-	11,623
Provision for defaults loss reserve	21,990	11,745
The amount of write-off reserve for breach of contract losses	(5,953)	-
Provision for trading loss (gain) reserve	845	(8,014)
Loss on disposal of fixed assets	417	692
Changes in assets and liabilities:		
Purchase options futures - nonhedging	(1,476)	-
Customer guarantee deposits	(704,148)	(2,266,409)
Futures transactions guarantee deposits receivable	(42,376)	(19,333)
Accounts receivable	448	96
Futures trading margin receivables	(66)	-
Prepayments	(3,290)	(1,014)
Other receivables	45	312
Other current assets - current	3	102
Deferred income tax liabilities - noncurrent	(5,754)	(6,103)
Put options	1,407	(662)
Equities of futures traders	699,099	2,261,233
Notes payable	3,851	499
Accounts payable	(5,695)	13,137
Accounts payable - related parties	(1,708)	9,818
Collections for third parties	883	609
Other payables	(25,104)	9,474
Accrued pension liabilities	1,119	1,177
Net cash provided by operating activities	<u>132,123</u>	<u>197,284</u>

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	December 31,	
	2004	2003
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Decrease in short-term investments	\$ 589	\$ 66,163
Purchases of long-term investments - subsidiary	-	(132,000)
Purchases of long - term investments -others	(6,840)	-
Purchases of fixed assets	(25,468)	(41,121)
Proceeds from disposal of fixed assets	500	3
Increase in operating guarantee deposits	-	-
Increase in exchange clearing deposits	(15,000)	(5,000)
Decrease in deposits-out	(387)	98
Increase in deferred assets	(8,157)	(9,201)
Net cash (used in) provided by investing activities	(54,763)	(121,058)
<u>CASH FLOWS FROM FINANCING ACTIVITIES:</u>		
Increase in leasehold accounts payable	18,901	12,747
Payments of leasehold accounts payable	(32,069)	(4,340)
Cash dividends	(89,100)	(122,430)
Remunerations to directors, supervisors and employees	(3,445)	(3,858)
Net cash used in financing activities	(105,713)	(117,881)
Net (decrease) increase in cash	(28,353)	(41,655)
Cash and cash equivalents - beginning balance	625,987	667,642
Cash and cash equivalents - ending balance	\$ 597,634	\$ 625,987
<u>Supplemental disclosure of cash flow information:</u>		
Cash paid for interest	\$ 7,351	\$ 6,322
Cash paid for income tax	\$ 72,375	\$ 74,080