

ALI CORPORATION
Consolidated Statements of Cashflow
For the periods ended Dec.31, 2008 and 2007

(Amounts in thousand New Taiwan Dollars)

	2008	2007
Cash flows from operating activities :		
Net income	229,479	701,428
Adjustments to reconcile net income to net cash provided by operating activities :		
Depreciation	37,851	38,551
Amortization	86,339	81,623
Bad debt expense	8,175	-
Amortization - deferred credit	(2,894)	(3,011)
Provision for inventory loss (reversal)	237,537	(36,808)
Gain(loss) on disposal of investments	5,395	(1,539)
Valuation gain on financial instruments	(5,278)	(28,404)
Loss on disposal of property and equipment, net	880	2,847
Loss on impairment of financial assets	15,955	-
Valuation loss on financial instruments	2,443	-
Change in deferred income tax assets	11,460	(78,309)
Decrease in financial assets at fair value through profit or loss -current	460,599	795,309
Increase in notes receivable	(6,965)	(68)
Decrease (increase) in accounts receivable	106,968	(46,664)
Decrease in other financial assets -current	4,060	3,342
Decrease(increase) in inventory	64,432	(136,344)
Decrease in prepaid expenses and other current assets	3,828	9,970
Decrease(increase) in prepaid pension	(3,627)	799
Decrease in notes payable	(13)	(16)
Decrease in accounts payable	(253,094)	(54,090)
Increase in payables to related parties	36,257	13,510
Increase(decrease) in accrued expenses	(51,800)	305,442
Increase(decrease) in other payables	(23,968)	49,054
Increase(decrease) in other current liabilities	4,671	(5,936)
Increase(decrease) in tax payable	(41,712)	56,874
Amortization of premium on anticipated bond redemption	-	322
Cash provided by operating activities	926,978	1,667,882
Cash flows from investing activities :		
Decrease in certificate of deposit - restricted	-	5,000
Decrease(increase) in financial assets available for sale -current	124,605	(468,461)
Decrease in financial assets under cost method -noncurrent from investee returning capital	-	27,500
Additions to property, plant and equipment	(16,944)	(28,737)
Proceeds from sale of property, plant and equipment	162	182
Increase in intangible assets	(38,849)	(124,065)
Increase of refundable deposits	(216)	(76)
Increase in deferred assets	(1,444)	(99)
Cash provided by(used in) investing activities	67,314	(588,756)
Cash flows from financing activities :		
Decrease of deposit- in	(3,339)	(323)
Employee stock option	13,674	93,497
Distribution cash dividends	(348,126)	(269,501)
Distribution employees' cash bonus	(22,095)	(24,495)
Distribution directors' and supervisors' remuneration	(6,313)	(6,998)
Cash used in financing activities	(366,199)	(207,820)
Effect of exchange rate change on cash	6,973	5,568
Net increase in cash and cash equivalents	635,066	876,874
Cash and cash equivalents at beginning of year	1,670,294	793,420
Cash and cash equivalents at end of the period	2,305,360	1,670,294