

## Cash Flow Analysis

### Stand-alone cash flow analysis

1. Increase in cash outflow from investment activities: Cash outflow rose due to increased investment in a 100%-owned subsidiary, Wealth Media Technology Co., Ltd., and higher cash capex paid in 2012.
2. Decrease in cash outflow from financing activities: Cash outflow declined due to the issuance of new corporate bonds at the end of 2012.

#### 2011 – 2012 Stand-alone Cash Flow Statement

Unit: NT\$'000, %

	2011	2012	YoY change	
			Amount	%
Cash inflow (outflow) from operating activities	22,171,276	20,972,283	(1,198,993)	(5.41)
Cash inflow (outflow) from investment activities	(7,899,540)	(11,757,404)	(3,857,864)	(48.84)
Cash inflow (outflow) from financing activities	(17,275,099)	(8,937,042)	8,338,057	48.27
Net cash	(3,003,363)	277,837	3,281,200	NM

### Consolidated cash flow analysis

1. Decrease in cash outflow from investment activities: Cash outflow was higher in 2011 due to the acquisition of momo.
2. Increase in cash outflow from financing activities: Cash outflow was higher in 2012 due to the repayments of short-term borrowings and notes and bills payable.

#### 2011 – 2012 Consolidated Cash Flow Statement

Unit: NT\$'000, %

	2011	2012	YoY change	
			Amount	%
Cash inflow (outflow) from operating activities	25,247,549	25,858,383	610,834	2.42
Cash inflow (outflow) from investment activities	(15,442,156)	(9,507,066)	5,935,090	38.43
Cash inflow (outflow) from financing activities	(11,482,524)	(15,807,915)	(4,325,391)	(37.67)
Effect of exchange rate changes	35,963	(13,754)	(49,717)	NM
Cash and cash equivalents arising from merger	2,285,830	-	(2,285,830)	(100.00)
Net cash	644,662	529,648	(115,014)	(17.84)

**Plans to improve negative liquidity:** Not applicable

## Stand-alone projected cash flow for 2013

1. Projected cash inflow from operating activities: Expected to remain stable
2. Projected cash outflow from investment activities: For capital expenditure and to raise subsidiaries' capital
3. Projected cash outflow from financing activities: For cash dividend distribution and repayment of corporate bonds

### 2013 Stand-alone Projected Cash Flow Analysis

Unit: NT\$'000

Cash balance, beginning of the year (1)	Forecast net cash inflow from operations (2)	Forecast cash outflow from investment and financing activities (3)	Cash balance, end of the year (1) + (2) - (3)	Source of funding for negative cash balance	
				Cash inflow from investment activities	Cash inflow from financing activities
1,155,355	22,829,531	23,003,282	981,604	—	—

**Source of funding for negative cash flow in 2013:** Not applicable

## Analysis of Major Capex and its Impact on Finance and Operations

Given stable operations and cash flow, the Company funds its major capex with its own working capital, thus, having a minimal impact on its financials and operations.