#### CAPITAL SECURITIES CORPORATION BALANCE SHEETS June 30, 2007 and 2006 (New Taiwan Dollars in Thousands, Except Share Data)

	June 30, 200	7	June 30, 200	6			June 30, 200	7	June 30, 200	)6
ASSETS	Amount	%	Amount	%	LIABILITIES AND STOCKHOLDERS' EQUITY		Amount	%	Amount	%
Current Assets					Current Liabilities					
Cash and cash equivalents (Notes 2 and 4(1))	\$ 915,505	1	\$ 1,198,332	2	Short-term borrowings (Note 4(10))	\$	4,513,300	6	\$ 2,359,000	4
Financial assets at fair value through profit or loss - current	33,981,889	48	30,839,320	50	Commercial paper payable (Note 4(11))		4,821,582	7	2,141,551	3
(Notes 2, 4(2), 4(21) and 5)					Financial liabilities at fair value through profit or loss - current		2,259,778	3	577,224	1
Bonds purchased under resale agreements (Notes 2 and 4(3))	2,503,302	3	501,429	1	(Notes 4(12) and 4(21))					
Receivable for securities provided as collateral	22,747,882	31	16,676,342	27	Bonds sold under repurchase agreements (Notes 4(13) and 5)		27,858,801	39	28,531,590	46
(net of allowance for doubtful accounts)					Guaranty deposited for securities lent		1,453,366	2	1,432,604	2
Refinancing margin	1,188	-		-	Proceeds payable from securities lent		1,699,084	2	1,769,125	3
Receivables on refinancing collateral	1,099	-	255	-	Notes payable		45,101	-	37,313	-
Notes receivable	2,616	-	1,878	-	Accounts payable		182,894	-	135,315	-
Accounts receivable (Note 4(4))	711,229	1	1,036,571	2	Advance receipts		24,005	-	4,042	-
Prepayments	66,454	-	52,011	-	Collections for other parties		793,726	1	552,520	1
Other receivables	93,187	-	83,874	-	Other payables (Note 4(14))		3,150,548	4	2,374,120	4
Pledged assets - current (Note 6)	805,200	1	368,200	1	Long-term liabilities - current portion (Note 4(15))		-	-	492,616	1
	61,829,551	85	50,758,212	83	Deferred income tax liabilities - current (Note 4(17))		11,081	-	6,987	-
					Other financial liabilities - current (Note 4(21))		919,083	1	1,352,814	2
					Other current liabilities		280,193	-	54,573	-
							48,012,542	65	41,821,394	67
Long-Term Investments					Long-Term Liabilities					
Financial assets at fair value through profit or loss -non-current	169,206	-	163,829	-	Long-term borrowings (Note 4(15))		1,867,671	3	-	-
(Notes 2,4(2) and 6)					Other financial liabilities - non-current (Note 4(21))		448,644	1	-	-
Available-for-sale financial assets -non-current	449,868	1	449,868	1	Reserve for land appreciation tax		27,698	-	27,698	-
(Notes 2 and $4(2)$ )			,		11		2.344.013	4	27,698	-
Long-term equity investments accounted for under the equity method	3,207,904	4	2,973,318	5			,- ,- <u>-</u>		.,	-
(Notes 2 and 4(5))	-,,		_,,		Other Liabilities					
	3,826,978	5	3,587,015	6	Reserve for default loss (Note 2)		200,351	-	200,351	-
					Reserve for trading loss (Note 2)		100,295	-	154	-
					Guaranty deposits received (Note 5)		7,652		7,652	-
Premises and Property (Notes 2, 4(6) and 6)					Accrued pension liabilities (Notes 2 and 4(16))		14.862	-	16,356	-
Land	2,894,458	4	2,897,641	5	Deferred income tax liabilities - non-current (Note 4(17))		142,607		95,361	
Buildings	1,563,124	2	1,541,291	2	Other liabilities		142,007		411	
Equipments	520,669	1	546,208	1	Suler habilities		465,767	<u> </u>	320,285	
Prepayment for equipments	13,329		92,079		Total Liabilities		50,822,322	69	42,169,377	67
Leasehold improvements	219.893	_	222,406		Total Elabilities		50,022,522		42,107,577	- 07
Leasenoid improvements	5,211,473		5,299,625		Stockholders' Equity					
Less: Accumulated depreciation	(1,078,417)	(1)	(1,109,578)	(2)						
Less. Accumulated depreciation	4.133.056	<u>– (1)</u> 6	4.190.047	6	2,000,000,000 shares authorized,					
	4,155,050		4,190,047		1,400,967,000 shares issued and outstanding (Note 4(18))		14,009,670	20	13.643.105	23
					Stock dividends to be distributed		731,480	20	366,565	23
Intangible Assets					Capital surplus		751,460	1	500,505	1
	400,864	1	447,710	1	Premium from stock issuance		2,598		2,598	
Operation franchise (Notes 2, 3(2) and 4(7))	400,804		447,710	1				-		-
					Treasury stock transactions (Note 4(19))		62,040	-	62,040	-
					Long-term investments		1,491	-	1,491	- 1
Other Assets	000 000	1	025 000		Paid-in capital from merger (Note 1)		778,921	1	778,921	1
Guaranty deposited for business operations	929,900	1	925,000	1	Retained earnings		1 572 201	2	1 425 402	2
Settlement fund	298,227	-	288,162	-	Legal reserve		1,573,381	2	1,425,492	2
Refundable deposits	294,472	-	288,108	-	Special reserve (Note 2)		3,146,762	5	2,850,984	5
Deferred debits	25,588	-	36,049	-	Unappropriated earnings (Notes 4(17) and 4(18))		1,663,429	2	853,668	1
Leased assets (net of accumulated depreciation) (Notes 2 and 6)	740,280	1	741,649	-	Cumulative translation adjustments (Note 2)		118,509	-	92,158	-
Others (net of allowance for doubtful accounts) (Notes 2 and 4(8))	1,331	-	191		Total Stockholders' Equity		22,088,281	31	20,077,022	33
	2,289,798	2	2,279,159	2						
Brokerage accounts, net (Note 4(9))	430,356	1	984,256	2						
	<b>* * * * *</b>	- 100	A (A A ( / /	- 100	Significant commitments and contingencies	-		-100		100
TOTAL ASSETS	\$ 72,910,603	100	\$ 62,246,399	100	TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		72,910,603	100	\$ 62,246,399	

The accompanying notes are an integral part of the financial statements.

## CAPITAL SECURITIES CORPORATION

STATEMENTS OF INCOME

### Years Ended June 30, 2007 and 2006

### (New Taiwan Dollars in Thousands, Except Share and Per Share Data)

	Jan. 1 ~ June 30, 2007		Jan. 1 ~ June 30, 2006		
	Amount	%	Amount	%	
Revenues:					
Brokerage commissions	\$ 1,487,281	37	\$ 1,361,960	44	
Underwriting commissions	39,785	1	96,275	3	
Gain on sale of trading securities	828,165	21	-	-	
Securities management, distribution, and management fees	35,046	1	37,499	1	
Interest revenue	973,815	24	877,721	28	
Dividend revenue	11,225	-	5,987	-	
Gain on valuation of trading securities	50,018	1	16,458	1	
Gain on covering of borrowed securities and bonds with resale agreements	47,464	1	12,893	-	
Gain on valuation of borrowed securities and bonds with resale agreements	11,256	-	-	-	
Gain on stock warrants issued (Note 4(21))	148,219	4	272,179	9	
Futures commission revenue (Note 5)	40,602	1	61,249	2	
Gain on derivative financial instruments (Note 4(21))	-	-	5,649	-	
Gain on derivative financial instruments - OTC (Note 4(21))	23,143	1	15,613	1	
Other operating revenues	87,384	2	109,534	4	
Non-operating revenues (Note 5)	94,669	2	95,595	3	
Investment income under the equity method (Note 4(5))	158,397	4	129,311	4	
	4,036,469	100	3,097,923	100	
Expenses:					
Brokerage fees	91,486	2	90,130	3	
Brokerage and clearing fees: proprietary trading	7,165	-	9,493	-	
Clearing and exchange fees: refinancing	531	-	608	-	
Clearing and exchange fees: underwriting	2,361	-	3,326	-	
Loss on sale of trading securities	-	-	444,215	15	
Interest expense (Note 5)	344,231	9	305,990	10	
Loss on valuation of borrowed securities and bonds with resale agreements	-	-	915	-	
Stock warrant issuance expense	9,383	-	2,104	-	
Clearing and settlement expenses (Note 5)	983	-	1,364	-	
Loss on derivative financial instruments (Note 4(21))	6,739	-	-	-	
Operating expenses (Note 5)	1,699,644	42	1,455,453	47	
Other operating expenses	25,528	1	8,620	-	
Non-operating expenses	8,088	-	5,748	-	
	2,196,139	54	2,327,966	75	
Continuing operations income before tax	1,840,330	46	769,957	25	
Less: Income tax expense (Notes 2 and 4(17))	563,030	14	353,861	11	
Continuing operations' income after tax	1,277,300	32	416,096	14	
Cumulative effect of changes in accounting principle	-	-	33,525	1	
Net income	\$ 1,277,300	32	\$ 449,621	15	
	2007		2006		
Basic earnings per share (Note 4(20))	Before Tax	After Tax	Before Tax	After Tax	
Continuing operations' income after tax	\$ 1.31	0.91	\$ 0.57	0.31	
Cumulative effect of changes in accounting principle	-	-	0.02	0.02	
Net income	1.31	0.91	0.59	0.33	
Paris compines non chore not reportively stated (Note 4(20))			0.57	0.32	

Basic earnings per share-retroactively stated (Note 4(20))

The accompanying notes are an integral part of the financial statements.

0.57

0.32

# CAPITAL SECURITIES CORPORATION STATEMENTS OF CASH FLOWS Years Ended June 30, 2007 and 2006 (New Taiwan Dollars in Thousands)

Cash Brown operating activities:     Not income     S     1.277.300     S     449.621       Changes in assets and liabilities:     Depreciation expense     88.708     80.748       Amorization     9.735     44.815       Loss (gain) on adiposal of permises and property, net     11     (137)       Loss (gain) on adupation of trading securities     50.018     (16.458)       Excess of investment income under the quity method over cash dividends received     70.920     62.2423       Provision for (reversal of securities provided as collateral     (2.151.302)     2.245.1680       Increase in receivable for securities provided as collateral     (1.7335     2.245.175       Decrease in receivables on refinancing collateral     17.305     2.445.175       Decrease in receivables on refinancing collateral     17.305     2.445.175       Decrease in receivables     17.73     787       Increase in neceivable     17.305     2.446.4780       Increase in prepayment     (10.041)     (8.682)       Decrease in other sects     3.400     1.9300       Decrease in other sects     3.400     1.9300       Decrease in other sects		Jan. 1~June 30, 2007	Jan. 1~June 30, 2006	
Changes in assets and liabilities:     Depreciation exponse     82,708     80,748       Amorization exponse     82,708     80,748       Amorization on disponal of premises and property, net     11     (137)       Loss (gain) on aduation of trading securities     50,018     (16,458)       Excess of investment income under the equity method over cash dividends received     (70,920)     (52,000)       Provision for (reversal of securities provided as collateral     (2,423,326)     (34,041)       Decrease (increase) in financial assets at fair value through profit or loss -current     (62,423)     (6,894,104)       Decrease (increase) in bonds purchased under essle agreements     (2,151,302)     (2,245,176)       Decrease in receivable     17,305     51,755       Decrease in receivable     17,305     51,755       Decrease in nets receivable     17,803     1,866       Increase in nets receivable     17,805     1,366       Increase in prepayment     (10,041)     (8,682)       Decrease in other financial assets     -     7,122       Decrease in other financial assets     -     7,122       Decrease in otheres asset and liabilities, net     34,402<	Cash flows from operating activities:			
Depreciation expense     82,708     80,748       Amortization     9,735     48,815       Loss (gain) on disposal of premises and property, net     11     (137)       Loss (gain) on valuation of trading securities     50,018     (16,458)       Excess of investment income under the equity method over each dividends received     (70,920)     (52,990)       Provision for (reversal of) securities trading loss     83,256     (44,441)       Decrease (increase) in bonds purchased under resels agreements     (2,151,20)     2,616,080       Increase in receivable for securities provided as collateral     (3,299,364)     (2,245,176)       Decrease in receivable or effnancing collateral     17,40     30,893       Decrease in neotes receivable     1,723     787       Increase in neotes receivable     (178,928)     (464,278)       Increase in neotes receivables     (5,503)     1,366       Increase in other receivables     (5,503)     1,366       Increase in functial assets     -     702       Decrease in other receivables     (5,503)     1,366       Increase in functial assets     -     50,675       Increase in functial asse		\$ 1,277,300	\$ 449,621	
Amortization9.73544.815Loss (gain) on disposal of premises and property, net11(137)Loss (gain) on valuation of rading securities50.018(16.458)Excess of investment income under the quity method over cash dividends received(70.020)(52.000)Provision for (reversal of) securities trading loss83.256(34.041)Decrease (increase) in financial assets at fair value through profit or loss -current(62.423)6.694,104Decrease in receivable for securities provided as collateral(3.299.364)(2.245,176)Decrease in receivable for securities provided as collateral11.48030.083Decrease in neterivable for securities provided as collateral17.233787Increase in accounts receivable(178.928)(464.278)Increase in preceivable con efinancing collateral(10.041)(68.682)Decrease in notes receivables(5.503)1.366Increase in pledged assets - current(10.041)(68.682)Decrease in other receivables(5.503)1.366Increase in other francial assets-50.675Increase in other current assets-50.675Increase in other francial assets-50.675Increase in funcial assets-(51.902)Decrease in funcial assets-(51.902)Decrease in other current assets-(51.905)Increase in other current assets-(51.905)Increase in other current assets-(51.905)Decrease in other fancial liabilities, net <td< td=""><td></td><td></td><td></td></td<>				
Loss (gain) on disposal of premises and property, net     11     (137)       Loss (gain) on valuation of trading securities     50,018     (16,458)       Excess of investment income under the equity method over cash dividends received     (70,920)     (52,000)       Provision for (reversal of) securities trading loss     83,2356     (34,041)       Decrease (increase) in financial assets at fair value through profit or loss -current     (62,423)     6,894,104       Decrease (increase) in financial assets at fair value through profit or loss -current     (62,423)     2,616,080       Increase in receivable for securities provided as collateral     (3,299,364)     (2,245,176)       Decrease in refinancing margin     11,400     30,983       Decrease in reformacing collateral     17,305     51,755       Decrease in notes receivable     1,723     787       Increase in accounts receivables     (5,503)     1,366       Increase in obter receivables     (5,503)     1,366       Increase in obter sacets and liabilities, net     34,402     13,697       Decrease in obter sacets     (1,009)     (66)       Brokerage accounts, net     (27,814)     (55,686)       Increase in obter fi	Depreciation expense	82,708	80,748	
Loss (gin) on valuation of trading securities50,018(16,458)Excess of investment income under the equity method over cash dividends received(70,920)(52,090)Provision for (reversal of) securities trading loss83,256(34,041)Decrease (increase) in bonds purchased under resale agreements(2,151,302)2,616,080Increase in receivable for securities provided as collateral(3,299,364)(2,245,176)Decrease in receivables on refinancing collateral11,73351,755Decrease in notes receivable11,723787Increase in notes receivable(178,928)(464,278)Increase in in otes receivables(5,503)1,366Increase in pledged assets - current(41,300)(19,300)Decrease (increase) in other receivables(1,0041)(8,682)Decrease in other fractional assets-712Decrease in other fractional assets-712Decrease in other fracting assets-712Decrease in other fracting assets-712Decrease in other fracting assets-712Decrease in other fracting assets-50,675Increase in other fracting assets-51,965)Increase in other securities lent(476,81)(360,512)Decrease in financial liabilities at fair value through profit or loss -current1,786,518261,541Increase in other assets-(51,965)666)Brokerage accounts, net-(41,309)(66,938)Increase in financial liabilities at fair value th	Amortization	9,735	48,815	
Excess of investment income under the equity method over cash dividends received $(70,920)$ $(52,090)$ Provision for (reversal of) securities trading loss $83,256$ $(34,041)$ Decrease (increase) in financial assets at fair value through profit or loss -current $(62,423)$ $6.894,104$ Decrease (increase) in bonds purchased under resale agreements $(2,151,302)$ $2.2616,080$ Increase in receivable for securities provided as collateral $(3,299,364)$ $(2,245,176)$ Decrease in receivables on refinancing collateral $17,305$ $51,755$ Decrease in accounts receivable $(178,928)$ $(446,278)$ Increase in accounts receivable $(178,928)$ $(446,278)$ Increase in accounts receivables $(5,503)$ $1,366$ Increase in pledged assets - current $(10,041)$ $(8,682)$ Decrease in other receivables $(5,503)$ $1,366$ Increase in pledged assets - current $(10,090)$ $(666)$ Decrease in other raceivables $(1,000)$ $(666)$ Increase in other assets $(1,000)$ $(666)$ Increase in financial assets $(2,78,14)$ $(545,866)$ Increase in financial inhibities aft in value through profit or loss -current $(1,78,029)$ $(2,78,14)$ Decrease in proceeds payable from securities lent $(667,389)$ $(831,988)$ Increase in financial asset for maxetimes lent $(78,81)$ $(300,512)$ Decrease in paranty deposited for securities lent $(667,389)$ $(831,988)$ Increase in indicate for securities lent $(667,389)$ $(831,988)$ </td <td>Loss (gain) on disposal of premises and property, net</td> <td>11</td> <td>(137)</td>	Loss (gain) on disposal of premises and property, net	11	(137)	
Provision for (reversal of) securities train gloss     83,256     (34,041)       Decrease (increase) in financial assets at fair value through profit or loss -current     (62,423)     6.894,104       Decrease (increase) in fonds purchased under resule agreements     (2,151,302)     2.616,080       Increase in receivable for securities provided as collateral     (3,299,364)     (2,245,176)       Decrease in refinancing margin     11,480     30,983       Decrease in receivables on refinancing collateral     17,305     51,755       Decrease in accounts receivable     (178,928)     (464,278)       Increase in accounts receivables     (5,503)     1,766       Increase in prepayment     (441,300)     (19,300)       Decrease in other cinerate sets     -     712       Decrease in other financial assets     -     50,675       Increase in other assets     -     50,675       Increase in other assets     -     50,675       Increase in other assets     -     50,675       Increase in financial liabilities at fair value through profit or loss -current     1,786,518     261,541       Increase in financial liabilities at fair value through profit or loss -current     1,	Loss (gain) on valuation of trading securities	50,018	(16,458)	
Decrease (increase) in financial assets at far value through profit or loss -current(02,423)(68,4104)Decrease (increase) in bonds purchased under resale agreements(2,151,302)2,616,080Increase in receivable for securities provided as collateral(3,299,364)(2,245,176)Decrease in receivables on refinancing oullateral(3,299,364)(2,245,176)Decrease in receivables on refinancing collateral17,30551,755Decrease in notes receivable(178,928)(464,278)Increase in notes receivable(10,041)(8,682)Decrease (increase) in other receivables(5,503)1,366Increase in pledged assets - current(441,300)(19,300)Decrease in other raceivables-712Decrease in other current assets-712Decrease in other current assets-50,675Increase in other current assets-50,675Increase in other current assets-50,675Increase in financial liabilities at fair value through profit or loss -current1,786,518Decrease in bills sold under repurchase agreements-(51,965)Decrease in guaranty deposited for securities lent(467,389)(831,988)Increase (decrease) i	Excess of investment income under the equity method over cash dividends received	(70,920	) (52,090)	
Decrease (increase) in bonds purchased under resule agreements     (2,151,302)     2,616.080       Increase in receivable for securities provided as collateral     (3,299,364)     (2,245,176)       Decrease in receivables on refinancing collateral     11,480     30,983       Decrease in notes receivables on refinancing collateral     17,305     51,755       Decrease in notes receivable     (178,928)     (464,278)       Increase in accounts receivables     (5,503)     1,366       Increase in pledged assets - current     (10,041)     (8,682)       Decrease in other receivables     (5,503)     1,366       Increase in pledged assets - current     (441,300)     (19,300)       Deferred income tax assets and liabilities, net     34,402     13,697       Decrease in other assets     (1,009)     (666)       Brokerage accounts, net     (27,814)     (545,686)       Increase in financial liabilities at fair value through profit or loss -current     1,786,518     261,541       Increase in guaranty deposited for securities lent     (476,881)     (360,512)       Decrease in accounts payable     (2,749,373)     Cerease: a counts payable     (2,749,373)       Decrease i	Provision for (reversal of) securities trading loss	83,256	(34,041)	
Increase in receivable for securities provided as collateral     (3,299,364)     (2,245,176)       Decrease in refinancing margin     11,480     30,983       Decrease in receivables on refinancing collateral     17,305     51,755       Decrease in receivables on refinancing collateral     17,305     51,755       Decrease in neceivable     (178,923)     (464,278)       Increase in neceivable     (5,503)     1,366       Increase in prepayment     (10,041)     (8,682)       Decrease in other receivables     (5,503)     1,366       Increase in prepayment     (441,300)     (19,300)       Decrease in other receivables     -     712       Decrease in other assets     -     712       Decrease in other current assets     -     712       Decrease in other assets     -     712       Decrease in other assets     -     50,675       Increase in other assets     -     50,675       Increase in other assets     -     666       Brockerage accounts, net     -     (51,965)       Decrease in bills sold under repurchase agreements     -     (61,955) </td <td>Decrease (increase) in financial assets at fair value through profit or loss -current</td> <td>(62,423</td> <td>) 6,894,104</td>	Decrease (increase) in financial assets at fair value through profit or loss -current	(62,423	) 6,894,104	
Decrease in refinancing margin     11.480     30.983       Decrease in receivables on refinancing collateral     17.305     51.755       Decrease in notes receivable     1.723     787       Increase in notes receivable     (178.928)     (464.278)       Increase in prepayment     (10.041)     (8.682)       Decrease in prepayment     (10.041)     (8.682)       Decrease in prepayment     (441.300)     (19.300)       Deferred income tax assets and liabilities, net     34.402     13.697       Decrease in other financial assets     -     712       Decrease in other current assets     -     50.675       Increase in other current assets     -     50.675       Increase in other current assets     -     50.675       Increase in other assets     -     50.675       Increase in financial liabilities at fair value through profit or loss -current     1.786.518     261.541       Increase (decrease) in bonds sold under repurchase agreements     -     (51.965)       Decrease in guaranty deposited for securities lent     (466.81)     (360.512)       Decrease in proceeds payable from securities lent     (4667.389) <td>Decrease (increase) in bonds purchased under resale agreements</td> <td>(2,151,302</td> <td>) 2,616,080</td>	Decrease (increase) in bonds purchased under resale agreements	(2,151,302	) 2,616,080	
Decrease in receivable on refinancing collateral17,30551,755Decrease in notes receivable1,723787Increase in accounts receivable(178,928)(464,278)Increase in prepayment(10,041)(8,682)Decrease (increase) in other receivables(5,503)1,366Increase in pledged assets - current(441,300)(19,300)Deferred income tax assets and liabilities, net34,40213,607Decrease in other function assets-712Decrease in other current assets.50,675Increase in other assets(1,009)(66)Brokerage accounts, net(27,814)(545,686)Increase in othar sasets50,675Increase in infancial liabilities at fair value through profit or loss -current1,786,518261,541Increase in singular y deposited for securities lent(476,881)(360,512)26,678Decrease in guaranty deposited for securities lent(667,389)(831,988)Increase in guaranty deposited for securities lent(667,389)(831,988)Increase in collections for other parties205,135259,914Increase in advance receipts(10,349)(69,598)Increase in other payables292,725119,852Increase in other payables292,725<	Increase in receivable for securities provided as collateral	(3,299,364	) (2,245,176)	
Decrease in notes receivable     1,723     787       Increase in accounts receivable     (178,928)     (464,278)       Increase in prepayment     (10,041)     (8,682)       Decrease (increase) in other receivables     (5,503)     1,366       Increase in pledged assets - current     (441,300)     (19,300)       Decrease in other financial assets     -     712       Decrease in other current assets     -     50,675       Increase in financial liabilities at fair value through profit or loss -current     1,786,518     261,541       Increase (decrease) in bonds sold under repurchase agreements     -     (51,965)       Decrease in guaranty deposited for securities lent     (476,881)     (360,512)       Decrease in accounts payable     -     (51,965)       Decrease in acounts payable     -     (51,965)       Decrease in acounts payable     -     (51,955)       Decrease in acounts payable     -     (51,955)	Decrease in refinancing margin	11,480	30,983	
Increase in accounts receivable $(178,928)$ $(464,278)$ Increase in prepayment $(10,041)$ $(8,682)$ Decrease (increase) in other receivables $(5,503)$ $1,366$ Increase in pledged assets - current $(441,300)$ $(19,300)$ Deferred income tax assets and liabilities, net $34,402$ $13,697$ Decrease in other financial assets- $712$ Decrease in other current assets- $50,675$ Increase in other assets(1,009) $(666)$ Brokerage accounts, net $(27,814)$ $(545,686)$ Increase in financial liabilities at fair value through profit or loss -current $1,786,518$ $261,541$ Increase (decrease) in bonds sold under repurchase agreements $(0,76,85)$ $(1,758,092)$ Decrease in proceeds payable from securities lent $(476,881)$ $(360,512)$ Decrease in proceeds payable $(10,349)$ $(69,598)$ Increase (decrease) in notes payable $(10,349)$ $(69,598)$ Increase in collections for other parties $205,135$ $259,914$ Increase in collections for other parties $205,135$ $259,914$ Increase in other payables $292,725$ $119,852$ Increase in other financial liabilities $394,794$ $360,645$ Decrease in guaranty deposits received- $(120)$ Decrease in accured pension liabilities - non-current $(1,612)$ -Decrease in function liabilities - non-current $(1,612)$ -Decrease in function for subscriptions of shares for an underwriter $ (93,806)$	Decrease in receivables on refinancing collateral	17,305	51,755	
Increase in prepayment     (10,041)     (8,82)       Decrease (increase) in other receivables     (5,503)     1,366       Increase in pledged assets - current     (441,300)     (19,300)       Deferred income tax assets and liabilities, net     34,402     13,697       Decrease in other financial assets     -     712       Decrease in other current assets     -     712       Decrease in other assets     -     50,675       Increase in financial liabilities at fair value through profit or loss -current     1,786,518     261,541       Increase (decrease) in bonds sold under repurchase agreements     -     (51,965)       Decrease in guaranty deposited for securities lent     (476,881)     (360,512)       Decrease in accounts payable     (44,069)     (2,749,373)       Decrease in advance receipts     (10,349)     (69,598)       Increase in other payables     292,725     119,852       Decrease in advance receipts     (10,249)     (69,598) <td>Decrease in notes receivable</td> <td>1,723</td> <td>787</td>	Decrease in notes receivable	1,723	787	
Decrease in other receivables(5,503)1,366Increase in pledged assets - current(441,300)(19,300)Deferred income tax assets and liabilities, net $34,402$ $13,697$ Decrease in other financial assets- $712$ Decrease in other current assets- $50,675$ Increase in other assets(1,009)(66)Brokerage accounts, net(27,814)(545,686)Increase in financial liabilities at fair value through profit or loss -current1,786,518261,541Increase (decrease) in bonds sold under repurchase agreements.(51,965)Decrease in guaranty deposited for securities lent(476,881)(360,512)Decrease in notes payable(10,349)(69,598)Increase in collections for other parties205,135259,914Increase in other payables205,135259,914Increase in other payables292,725119,852Increase in other financial liabilities - non-current(1,612)-Decrease in fund for subscriptions of shares for an underwriter-(93,806)	Increase in accounts receivable	(178,928	) (464,278)	
Increase in pledged assets - current(441,300)(19,300)Deferred income tax assets and liabilities, net34,40213,697Decrease in other financial assets-712Decrease in other current assets-50,675Increase in other assets(1,009)(66)Brokerage accounts, net(27,814)(545,686)Increase in financial liabilities at fair value through profit or loss -current1,786,518261,541Increase (decrease) in bonds sold under repurchase agreements1,076,085(1,758,092)Decrease in guaranty deposited for securities lent(476,881)(360,512)Decrease in proceeds payable from securities lent(667,389)(831,988)Increase (decrease) in notes payable12,841(167,955)Decrease in accounts payable(10,349)(69,598)Increase in collections for other parties205,135259,914Increase in other payables292,725119,852Increase in other financial liabilities - non-current(1,612)-Decrease in fund for subscriptions of shares for an underwriter-(93,806)	Increase in prepayment	(10,041	) (8,682)	
Deferred income tax assets and liabilities, net34,40213,697Decrease in other financial assets-712Decrease in other current assets-50,675Increase in other assets(1,009)(66)Brokerage accounts, net(27,814)(545,686)Increase in financial liabilities at fair value through profit or loss -current1,786,518261,541Increase (decrease) in bonds sold under repurchase agreements1,076,085(1,758,092)Decrease in guaranty deposited for securities lent(476,881)(360,512)Decrease in proceeds payable from securities lent(667,389)(831,988)Increase (decrease) in notes payable12,841(167,955)Decrease in accounts payable(10,349)(69,598)Increase in collections for other parties205,135259,914Increase in other payables1292,725119,852Increase in other inancial liabilities394,794360,645Decrease in guaranty deposits received-(120)Decrease in accured pension liabilities - non-current(1,612)-Decrease in fund for subscriptions of shares for an underwriter-(93,806)	Decrease (increase) in other receivables	(5,503	) 1,366	
Decrease in other financial assets-712Decrease in other current assets-50,675Increase in other assets(1,009)(66)Brokerage accounts, net(27,814)(545,686)Increase in financial liabilities at fair value through profit or loss -current1,786,518261,541Increase (decrease) in bonds sold under repurchase agreements1,076,085(1,758,092)Decrease in guaranty deposited for securities lent(476,881)(360,512)Decrease in proceeds payable from securities lent(667,389)(831,988)Increase (decrease) in notes payable12,841(167,955)Decrease in collections for other parties205,135259,914Increase in other payables292,725119,852Increase in other payables292,725119,852Increase in other financial liabilities394,794360,645Decrease in guaranty deposits received-(120)Decrease in other payables292,725119,852Increase in collections for other parties205,135259,914Increase in other financial liabilities394,794360,645Decrease in guaranty deposits received-(120)Decrease in accured pension liabilities - non-current(1,612)-Decrease in fund for subscriptions of shares for an underwriter_(93,800)	Increase in pledged assets - current	(441,300	) (19,300)	
Decrease in other current assets-50,675Increase in other assets(1,009)(66)Brokerage accounts, net(27,814)(545,686)Increase in financial liabilities at fair value through profit or loss -current1,786,518261,541Increase (decrease) in bonds sold under repurchase agreements1,076,085(1,758,092)Decrease in bills sold under repurchase agreements-(51,965)Decrease in guaranty deposited for securities lent(476,881)(360,512)Decrease in proceeds payable from securities lent(667,389)(831,988)Increase (decrease) in notes payable12,841(167,955)Decrease in accounts payable(44,069)(2,749,373)Decrease in collections for other parties205,135259,914Increase in other payables292,725119,852Increase in other payables292,725119,852Decrease in guaranty deposits received-(120)Decrease in account payables292,725119,852Increase in other financial liabilities - non-current(1,612)-Decrease in in duf for subscriptions of shares for an underwriter-(93,806)	Deferred income tax assets and liabilities, net	34,402	13,697	
Increase in other assets $(1,009)$ $(66)$ Brokerage accounts, net $(27,814)$ $(545,686)$ Increase in financial liabilities at fair value through profit or loss -current $1,786,518$ $261,541$ Increase (decrease) in bonds sold under repurchase agreements $1,076,085$ $(1,758,092)$ Decrease in bills sold under repurchase agreements $ (51,965)$ Decrease in guaranty deposited for securities lent $(476,881)$ $(360,512)$ Decrease in proceeds payable from securities lent $(667,389)$ $(831,988)$ Increase (decrease) in notes payable $12,841$ $(167,955)$ Decrease in accounts payable $(44,069)$ $(2,749,373)$ Decrease in accounts payable $(10,349)$ $(69,598)$ Increase in collections for other parties $205,135$ $259,914$ Increase in other payables $394,794$ $360,645$ Decrease in guaranty deposits received $ (120)$ Decrease in accrued pension liabilities - non-current $(1,612)$ $-$ Decrease in fund for subscriptions of shares for an underwriter $ (93,806)$	Decrease in other financial assets	-	712	
Brokerage accounts, net(27,814)(545,686)Increase in financial liabilities at fair value through profit or loss -current1,786,518261,541Increase (decrease) in bonds sold under repurchase agreements1,076,085(1,758,092)Decrease in bills sold under repurchase agreements-(51,965)Decrease in guaranty deposited for securities lent(476,881)(360,512)Decrease in proceeds payable from securities lent(667,389)(831,988)Increase (decrease) in notes payable12,841(167,955)Decrease in accounts payable(44,069)(2,749,373)Decrease in advance receipts(10,349)(69,598)Increase in other payables292,725119,852Increase in other payables292,725119,852Increase in other financial liabilities394,794360,645Decrease in accrued pension liabilities - non-current(1,612)-Decrease in fund for subscriptions of shares for an underwriter-(93,806)	Decrease in other current assets	-	50,675	
Increase in financial liabilities at fair value through profit or loss -current1,786,518261,541Increase (decrease) in bonds sold under repurchase agreements1,076,085(1,758,092)Decrease in bills sold under repurchase agreements-(51,965)Decrease in guaranty deposited for securities lent(476,881)(360,512)Decrease in proceeds payable from securities lent(667,389)(831,988)Increase (decrease) in notes payable12,841(167,955)Decrease in accounts payable(44,069)(2,749,373)Decrease in advance receipts(10,349)(69,598)Increase in other payables205,135259,914Increase in other payables292,725119,852Increase in other financial liabilities394,794360,645Decrease in accrued pension liabilities - non-current(1,612)-Decrease in fund for subscriptions of shares for an underwriter-(93,806)	Increase in other assets	(1,009	) (66)	
Increase (decrease) in bonds sold under repurchase agreements1,076,085(1,758,092)Decrease in bills sold under repurchase agreements-(51,965)Decrease in guaranty deposited for securities lent(476,881)(360,512)Decrease in proceeds payable from securities lent(667,389)(831,988)Increase (decrease) in notes payable12,841(167,955)Decrease in accounts payable(44,069)(2,749,373)Decrease in accounts payable(10,349)(69,598)Increase in collections for other parties205,135259,914Increase in other payables292,725119,852Increase in other financial liabilities394,794360,645Decrease in accrued pension liabilities - non-current(1,612)-Decrease in fund for subscriptions of shares for an underwriter_(93,806)	Brokerage accounts, net	(27,814	) (545,686)	
Decrease in bills sold under repurchase agreements-(51,965)Decrease in guaranty deposited for securities lent(476,881)(360,512)Decrease in proceeds payable from securities lent(667,389)(831,988)Increase (decrease) in notes payable12,841(167,955)Decrease in accounts payable(44,069)(2,749,373)Decrease in advance receipts(10,349)(69,598)Increase in collections for other parties205,135259,914Increase in other payables292,725119,852Increase in other financial liabilities394,794360,645Decrease in accrued pension liabilities - non-current(1,612)-Decrease in fund for subscriptions of shares for an underwriter-(93,806)	Increase in financial liabilities at fair value through profit or loss -current	1,786,518	261,541	
Decrease in guaranty deposited for securities lent(476,881)(360,512)Decrease in proceeds payable from securities lent(667,389)(831,988)Increase (decrease) in notes payable12,841(167,955)Decrease in accounts payable(44,069)(2,749,373)Decrease in advance receipts(10,349)(69,598)Increase in collections for other parties205,135259,914Increase in other payables292,725119,852Increase in other financial liabilities394,794360,645Decrease in accrued pension liabilities - non-current(1,612)-Decrease in fund for subscriptions of shares for an underwriter-(93,806)	Increase (decrease) in bonds sold under repurchase agreements	1,076,085	(1,758,092)	
Decrease in proceeds payable from securities lent(667,389)(831,988)Increase (decrease) in notes payable12,841(167,955)Decrease in accounts payable(44,069)(2,749,373)Decrease in advance receipts(10,349)(69,598)Increase in collections for other parties205,135259,914Increase in other payables292,725119,852Increase in other financial liabilities394,794360,645Decrease in guaranty deposits received-(120)Decrease in fund for subscriptions of shares for an underwriter-(93,806)	Decrease in bills sold under repurchase agreements	-	(51,965)	
Increase (decrease) in notes payable12,841(167,955)Decrease in accounts payable(44,069)(2,749,373)Decrease in advance receipts(10,349)(69,598)Increase in collections for other parties205,135259,914Increase in other payables292,725119,852Increase in other financial liabilities394,794360,645Decrease in guaranty deposits received-(120)Decrease in accrued pension liabilities - non-current(1,612)-Decrease in fund for subscriptions of shares for an underwriter-(93,806)	Decrease in guaranty deposited for securities lent	(476,881	) (360,512)	
Decrease in accounts payable(44,069)(2,749,373)Decrease in advance receipts(10,349)(69,598)Increase in collections for other parties205,135259,914Increase in other payables292,725119,852Increase in other financial liabilities394,794360,645Decrease in guaranty deposits received-(120)Decrease in accrued pension liabilities - non-current(1,612)-Decrease in fund for subscriptions of shares for an underwriter-(93,806)	Decrease in proceeds payable from securities lent	(667,389	) (831,988)	
Decrease in advance receipts(10,349)(69,598)Increase in collections for other parties205,135259,914Increase in other payables292,725119,852Increase in other financial liabilities394,794360,645Decrease in guaranty deposits received-(120)Decrease in accrued pension liabilities - non-current(1,612)-Decrease in fund for subscriptions of shares for an underwriter-(93,806)	Increase (decrease) in notes payable	12,841	(167,955)	
Increase in collections for other parties205,135259,914Increase in other payables292,725119,852Increase in other financial liabilities394,794360,645Decrease in guaranty deposits received-(120)Decrease in accrued pension liabilities - non-current(1,612)-Decrease in fund for subscriptions of shares for an underwriter-(93,806)	Decrease in accounts payable	(44,069	) (2,749,373)	
Increase in other payables292,725119,852Increase in other financial liabilities394,794360,645Decrease in guaranty deposits received-(120)Decrease in accrued pension liabilities - non-current(1,612)-Decrease in fund for subscriptions of shares for an underwriter-(93,806)	Decrease in advance receipts	(10,349	) (69,598)	
Increase in other financial liabilities394,794360,645Decrease in guaranty deposits received-(120)Decrease in accrued pension liabilities - non-current(1,612)-Decrease in fund for subscriptions of shares for an underwriter-(93,806)	Increase in collections for other parties	205,135	259,914	
Decrease in guaranty deposits received-(120)Decrease in accrued pension liabilities - non-current(1,612)-Decrease in fund for subscriptions of shares for an underwriter-(93,806)	Increase in other payables	292,725	119,852	
Decrease in guaranty deposits received-(120)Decrease in accrued pension liabilities - non-current(1,612)-Decrease in fund for subscriptions of shares for an underwriter-(93,806)	Increase in other financial liabilities	394,794		
Decrease in accrued pension liabilities - non-current(1,612)-Decrease in fund for subscriptions of shares for an underwriter	Decrease in guaranty deposits received	-		
Decrease in fund for subscriptions of shares for an underwriter		(1,612		
	-	-		
	Net cash provided by (used in) operating activities	(2,112,868		

# CAPITAL SECURITIES CORPORATION STATEMENTS OF CASH FLOWS (CONT'D) Years Ended June 30, 2007 and 2006 (New Taiwan Dollars in Thousands)

Cash flows from investing activities:Purchase of available-for-sale financial assets -non-current.(7,095)Purchase of premises and property(36,138)(38,411)Proceeds from sale of premises and property78267Purchase of deferred debits and intangible assets(4,464)(1,998)Decrease (increase) in guaranty deposited for business operations(71,000)324,400Increase in settlement fund(10,065)(3,593)Decrease (increase) in refundable deposits(12,097)38,208Net cash provided by (used in) investing activities(13,3686)311,778Cash flows from financing activities(13,3686)311,778Increase (decrease) in short-term borrowings843,300(291,000)Increase (decrease) in inog-term borrowings1,040,644(1,483,760)Remuneration to directors and supervisors(41,409)-Net cash provided by (used in) financing activities(130,941)(19,033)Decrease (in cash and cash equivalents(130,941)(19,033)Cash and cash equivalents, beginning of the year1,046,4461,217,365Cash and cash equivalents, beginning of the year1,046,4461,217,365Cash paid during the year for interest§ 335,431§ 304,590Cash and cash equivalents, ended June 30, 2007 and 2006§ 915,505\$ 1,198,332Investing and financing activities with no effect on cash flows:§ 211,601\$ 104,873Investing and financing activities with no effect on cash flows:§ 335,431\$ 54,573		Jan. 1~June 30, 2007	Jan. 1~June 30, 2006
Purchase of premises and property(36,138)(38,41)Proceeds from sale of premises and property78267Purchase of deferred debits and intangible assets(4,464)(1,998)Decrease (increase) in guaranty deposited for business operations(71,000)324,400Increase in settlement fund(10,065)(3,593)Decrease (increase) in refundable deposits(12,097)38,208Net cash provided by (used in) investing activities(133,686)311,778Cash flows from financing activities:(133,686)311,778Increase (decrease) in short-term borrowings843,300(291,000)Increase (decrease) in short-term borrowings1,040,644(1,483,766)Remuneration to directors and supervisors(130,941)(19,033)Cash and cash equivalents(130,941)(19,033)Cash and cash equivalents, beginning of the year1,046,446(1,217,365)Cash paid during the year for interest\$ 335,431\$ 304,590Cash paid during the year for interest\$ 231,601\$ 104,873Investing and financing activities with no effect on cash flows:\$ 211,601\$ 104,873Investing and financing activities with no effect on cash flows:\$ 280,193\$ 54,573Cash dividend payable\$ 600\$ 33304,590Cash and cash equivalents, beginning activities with no effect on cash flows:\$ 280,193\$ 54,573Employee bonuses payable\$ 600\$ 333Remuneration to directors and supervisors payable\$ 600\$ 33Remunerat	Cash flows from investing activities:		
Proceeds from sale of premises and property78267Purchase of deferred debits and intangible assets $(4,464)$ $(1,998)$ Decrease (increase) in guaranty deposited for business operations $(71,000)$ $324,400$ Increase in settlement fund $(10,065)$ $(3,593)$ Decrease (increase) in refundable deposits $(12,097)$ $38,208$ Net cash provided by (used in) investing activities $(133,686)$ $311,778$ Cash flows from financing activities: $(133,686)$ $311,778$ Increase (decrease) in short-term borrowings $843,300$ $(291,000)$ Increase (decrease) in commercial paper payable $273,078$ $(328,017)$ Increase (decrease) in long-term borrowings $1,040,644$ $(1,483,766)$ Remuneration to directors and supervisors $(41,409)$ $-$ Net cash provided by (used in) financing activities $2,115,613$ $(2,102,783)$ Decrease in cash and cash equivalents $(130,941)$ $(19,033)$ Cash and cash equivalents, ended June 30, 2007 and 2006§ 915,505\$ 1,198,332Supplemental disclosures of cash flows information: $S$ $230,4590$ Cash paid during the year for interest $$ 335,431$ \$ 304,590Cash paid during the year for interest $$ 211,601$ \$ 104,873Investing and financing activities with no effect on cash flows: $$ 211,601$ \$ 104,873Investing and financing activities with no effect on cash flows: $$ 20,91,93$ \$ 54,573Cash dividend payable $$ 600$ \$ 3 3Remuneration to directors and super	Purchase of available-for-sale financial assets -non-current	-	(7,095)
Purchase of deferred debits and intargible assets $(4.464)$ $(1,998)$ Decrease (increase) in guaranty deposited for business operations $(71,000)$ $324,400$ Increase in settlement fund $(10,065)$ $(3,593)$ Decrease (increase) in refundable deposits $(12,097)$ $38,208$ Net cash provided by (used in) investing activities $(133,686)$ $311,778$ Cash flows from financing activities: $(133,686)$ $311,778$ Increase (decrease) in short-term borrowings $843,300$ $(291,000)$ Increase (decrease) in commercial paper payable $273,078$ $(328,017)$ Increase (decrease) in long-term borrowings $1,040,644$ $(1,483,766)$ Remuneration to directors and supervisors $(130,941)$ $(19,033)$ Cash and cash equivalents $(130,941)$ $(19,033)$ Cash paid during the year of cash flows information: $$ 335,431$ $$ 304,590$ Cash paid during the year of nitcrest $$ 335,431$ $$ 304,590$ Cash paid during the year for interest $$ 235,631$ $$ 104,873$ Investing and financing activities with no effect on cash flows: $$ 211,601$ $$ 104,873$ Investing and financing activities with no effect on cash flows: $$ 280,193$ $$ $ 54,573$ Cash dividend payable $$ 600$ $$ 33$ Remuneration to directors and supervisors payable $$ 600$ $$ 33$ Remuneration to directors and supervisors payable $$ 600$ $$ 33$ Remuneration to directors and supervisors payable $$ 600$ $$ 33$	Purchase of premises and property	(36,138)	(38,411)
Decrease (increase) in guaranty deposited for business operations $(1,000)$ $324,400$ Increase in settlement fund $(10,065)$ $(3,593)$ Decrease (increase) in refundable deposits $(12,097)$ $38,208$ Net cash provided by (used in) investing activities $(133,686)$ $311,778$ Cash flows from financing activities: $(133,686)$ $311,778$ Increase (decrease) in short-term borrowings $843,300$ $(291,000)$ Increase (decrease) in commercial paper payable $273,078$ $(328,017)$ Increase (decrease) in long-term borrowings $1,040,644$ $(1,483,766)$ Remuneration to directors and supervisors $(41,409)$ -Net cash provided by (used in) financing activities $(130,941)$ $(19,033)$ Cash and cash equivalents, beginning of the year $(130,941)$ $(19,033)$ Cash and cash equivalents, ended June 30, 2007 and 2006§ 915,505§ 1,198,332Supplemental disclosures of cash flows information: $$28,0193$ § 24,000Cash paid during the year for interest§ 235,431§ 304,590Cash paid during the year for interest§ 235,431§ 304,590Cash paid during the year for increase the set flows:§ 211,601§ 104,873Investing and financing activities with no effect on cash flows:§ 280,193§ 54,573Cash dividend payable§ 600§ 333Remuneration to directors and supervisors payable§ 60§ 33Remuneration to directors and supervisors payable§ 60§ 33	Proceeds from sale of premises and property	78	267
Increase in settlement fund(10,065)(3,593)Decrease (increase) in refundable deposits(12,097) $38,208$ Net cash provided by (used in) investing activities(133,686) $311,778$ Cash flows from financing activities:(133,686) $311,778$ Increase (decrease) in short-term borrowings $843,300$ (291,000)Increase (decrease) in commercial paper payable $273,078$ (328,017)Increase (decrease) in long-term borrowings $1,040,644$ (1,483,766)Remuneration to directors and supervisors $(41,409)$ -Net cash provided by (used in) financing activities $2,115,613$ $(2,102,783)$ Decrease in cash and cash equivalents(130,941)(190,33)Cash and cash equivalents, beginning of the year $1,046,446$ $1,217,365$ Cash quivalents, ended June 30, 2007 and 2006§ 915,505\$ 1,198,332Supplemental disclosures of cash flows information:S $335,431$ \$ 304,590Cash paid during the year for increment taxes§ 211,601\$ 104,873Investing and financing activities with no effect on cash flows:S $335,431$ \$ 304,590Cash dividend payable§ 280,193\$ 54,573SEmployee bonuses payable§ 60\$ 33Remuneration to directors and supervisors payable\$ 60\$ 33Remuneration to directors and supervisors payable\$ 60\$ 3\$Semployee bonuses payable\$ 60\$ 3\$ 54,573Employee bonuses payable\$ 60\$ 3\$ 3 <t< td=""><td>Purchase of deferred debits and intangible assets</td><td>(4,464)</td><td>(1,998)</td></t<>	Purchase of deferred debits and intangible assets	(4,464)	(1,998)
Decrease (increase) in refundable deposits(12,097)38,208Net cash provided by (used in) investing activities(133,686)311,778Cash flows from financing activities:(133,686)311,778Increase (decrease) in short-term borrowings843,300(291,000)Increase (decrease) in commercial paper payable273,078(328,017)Increase (decrease) in long-term borrowings1,040,644(1,483,766)Remuneration to directors and supervisors(41,409)-Net cash provided by (used in) financing activities2,115,613(2,102,783)Decrease in cash and cash equivalents(130,941)(19,033)Cash and cash equivalents, ended June 30, 2007 and 2006\$ 915,505\$ 1,198,332Supplemental disclosures of cash flows information:\$ 335,431\$ 304,590Cash paid during the year for interest\$ 335,431\$ 304,590Cash paid during the year for income taxes\$ 211,601\$ 104,873Investing and financing activities with no effect on cash flows:\$ 280,193\$ 54,573Cash dividend payable\$ 600\$ 33Employee bonuses payable\$ 60\$ 33Remuneration to directors and supervisors payable\$ 60\$ 3Remuneration to directors and supervisors payable\$ 60\$ 15,797	Decrease (increase) in guaranty deposited for business operations	(71,000)	324,400
Net cash provided by (used in) investing activities(133,686)311,778Cash flows from financing activities: Increase (decrease) in short-term borrowings843,300(291,000)Increase (decrease) in short-term borrowings843,300(291,000)Increase (decrease) in commercial paper payable273,078(328,017)Increase (decrease) in long-term borrowings1,040,644(1,483,766)Remuneration to directors and supervisors(41,409)-Net cash provided by (used in) financing activities2,115,613(2,102,783)Decrease in cash and cash equivalents(130,941)(19,033)Cash and cash equivalents, beginning of the year1,046,4461,217,365Cash and cash equivalents, ended June 30, 2007 and 2006\$ 915,505\$ 1,198,332Supplemental disclosures of cash flows information: Cash paid during the year for increast\$ 335,431\$ 304,590Cash paid during the year for income taxes\$ 211,601\$ 104,873Investing and financing activities with no effect on cash flows: Cash dividend payable\$ 280,193\$ 54,573Employee bonuses payable\$ 600\$ 3Remuneration to directors and supervisors payable\$ 600\$ 3Remuneration to directors and supervisors payable\$ 15,797	Increase in settlement fund	(10,065)	(3,593)
Cash flows from financing activities:Increase (decrease) in short-term borrowings843,300(291,000)Increase (decrease) in commercial paper payable273,078(328,017)Increase (decrease) in long-term borrowings1,040,644(1,483,766)Remuneration to directors and supervisors(41,409)-Net cash provided by (used in) financing activities2,115,613(2,102,783)Decrease in cash and cash equivalents(130,941)(19,033)Cash and cash equivalents, beginning of the year1,046,4461,217,365Cash and cash equivalents, ended June 30, 2007 and 2006\$ 915,505\$ 1,198,332Supplemental disclosures of cash flows information: Cash paid during the year for interest\$ 335,431\$ 304,590Cash paid during the year for interest\$ 211,601\$ 104,873Investing and financing activities with no effect on cash flows: Cash dividend payable\$ 280,193\$ 54,573Employee bonuses payable\$ 60\$ 3Remuneration to directors and supervisors payable\$ 060\$ 3Remuneration to directors and supervisors payable\$ 060\$ 3	Decrease (increase) in refundable deposits	(12,097)	38,208
Increase (decrease) in short-term borrowings843,300(291,000)Increase (decrease) in commercial paper payable273,078(328,017)Increase (decrease) in long-term borrowings1,040,644(1,483,766)Remuneration to directors and supervisors(41,409)-Net cash provided by (used in) financing activities2,115,613(2,102,783)Decrease in cash and cash equivalents(130,941)(19,033)Cash and cash equivalents, beginning of the year1,046,4461,217,365Cash and cash equivalents, ended June 30, 2007 and 2006\$ 915,505\$ 1,198,332Supplemental disclosures of cash flows information: Cash paid during the year for interest\$ 335,431\$ 304,590Cash paid during the year for interest\$ 211,601\$ 104,873Investing and financing activities with no effect on cash flows: Cash dividend payable\$ 280,193\$ 54,573Employee bonuses payable\$ 60\$ 3Remuneration to directors and supervisors payable\$ 0,007Supplementation to directors and supervisors payable\$ 0,007	Net cash provided by (used in) investing activities	(133,686)	311,778
Increase (decrease) in commercial paper payable273,078(328,017)Increase (decrease) in long-term borrowings1,040,644(1,483,766)Remuneration to directors and supervisors(41,409)-Net cash provided by (used in) financing activities2,115,613(2,102,783)Decrease in cash and cash equivalents(130,941)(19,033)Cash and cash equivalents, beginning of the year1,046,4461,217,365Cash and cash equivalents, ended June 30, 2007 and 2006\$ 915,505\$ 1,198,332Supplemental disclosures of cash flows information: Cash paid during the year for interest\$ 335,431\$ 304,590Cash paid during the year for interest\$ 211,601\$ 104,873Investing and financing activities with no effect on cash flows: Cash dividend payable\$ 280,193\$ 54,573Employee bonuses payable\$ 60\$ 3Remuneration to directors and supervisors payable\$ -\$ 15,797	Cash flows from financing activities:		
Increase (decrease) in long-term borrowings1,040,644(1,483,766)Remuneration to directors and supervisors(41,409)-Net cash provided by (used in) financing activities2,115,613(2,102,783)Decrease in cash and cash equivalents(130,941)(19,033)Cash and cash equivalents, beginning of the year1,046,4461,217,365Cash and cash equivalents, ended June 30, 2007 and 2006\$ 915,505\$ 1,198,332Supplemental disclosures of cash flows information: Cash paid during the year for income taxes\$ 335,431\$ 304,590Cash quivalent year for income taxes\$ 2111,601\$ 104,873Investing and financing activities with no effect on cash flows: Cash dividend payable\$ 280,193\$ 54,573Employee bonuses payable\$ 60\$ 3Remuneration to directors and supervisors payable\$ -\$ 15,797	Increase (decrease) in short-term borrowings	843,300	(291,000)
Remuneration to directors and supervisors $(41,409)$ $-$ Net cash provided by (used in) financing activities $2,115,613$ $(2,102,783)$ Decrease in cash and cash equivalents $(130,941)$ $(19,033)$ Cash and cash equivalents, beginning of the year $1,046,446$ $1,217,365$ Cash and cash equivalents, ended June 30, 2007 and 2006\$ 915,505\$ 1,198,332Supplemental disclosures of cash flows information: Cash paid during the year for interest\$ 335,431\$ 304,590Cash paid during the year for income taxes\$ 211,601\$ 104,873Investing and financing activities with no effect on cash flows: Cash dividend payable\$ 280,193\$ 54,573Employee bonuses payable\$ 60\$ 3Remuneration to directors and supervisors payable\$ -\$ 15,797	Increase (decrease) in commercial paper payable	273,078	(328,017)
Net cash provided by (used in) financing activities $2,115,613$ $(2,102,783)$ Decrease in cash and cash equivalents $(130,941)$ $(19,033)$ Cash and cash equivalents, beginning of the year $1,046,446$ $1,217,365$ Cash and cash equivalents, ended June 30, 2007 and 2006\$ 915,505\$ 1,198,332Supplemental disclosures of cash flows information: Cash paid during the year for interest\$ 335,431\$ 304,590Cash paid during the year for income taxes\$ 211,601\$ 104,873Investing and financing activities with no effect on cash flows: Cash dividend payable\$ 280,193\$ 54,573Employee bonuses payable\$ 60\$ 3Remuneration to directors and supervisors payable\$ - \$ 15,797	Increase (decrease) in long-term borrowings	1,040,644	(1,483,766)
Decrease in cash and cash equivalents(130,941)(19,033)Cash and cash equivalents, beginning of the year1,046,4461,217,365Cash and cash equivalents, ended June 30, 2007 and 2006\$ 915,505\$ 1,198,332Supplemental disclosures of cash flows information: Cash paid during the year for income taxes\$ 335,431\$ 304,590Cash paid during the year for income taxes\$ 211,601\$ 104,873Investing and financing activities with no effect on cash flows: Cash dividend payable\$ 280,193\$ 54,573Employee bonuses payable\$ 60\$ 3Remuneration to directors and supervisors payable\$ -\$ 15,797	Remuneration to directors and supervisors	(41,409)	
Cash and cash equivalents, beginning of the year1,046,4461,217,365Cash and cash equivalents, ended June 30, 2007 and 2006\$ 915,505\$ 1,198,332Supplemental disclosures of cash flows information: Cash paid during the year for interest Cash paid during the year for income taxes\$ 335,431\$ 304,590Investing and financing activities with no effect on cash flows: Cash dividend payable\$ 280,193\$ 54,573Employee bonuses payable\$ 60\$ 3Remuneration to directors and supervisors payable\$ 00\$ 3	Net cash provided by (used in) financing activities	2,115,613	(2,102,783)
Cash and cash equivalents, ended June 30, 2007 and 2006\$ 915,505\$ 1,198,332Supplemental disclosures of cash flows information: Cash paid during the year for interest Cash paid during the year for income taxes\$ 335,431\$ 304,590Cash paid during the year for income taxes\$ 211,601\$ 104,873Investing and financing activities with no effect on cash flows: Cash dividend payable\$ 280,193\$ 54,573Employee bonuses payable\$ 60\$ 3Remuneration to directors and supervisors payable\$ -\$ 15,797	Decrease in cash and cash equivalents	(130,941)	(19,033)
Supplemental disclosures of cash flows information:Cash paid during the year for interest\$ 335,431\$ 304,590Cash paid during the year for income taxes\$ 211,601\$ 104,873Investing and financing activities with no effect on cash flows:\$ 280,193\$ 54,573Cash dividend payable\$ 60\$ 3Employee bonuses payable\$ 60\$ 3Remuneration to directors and supervisors payable\$ -\$ 15,797	Cash and cash equivalents, beginning of the year	1,046,446	1,217,365
Cash paid during the year for interest\$ 335,431\$ 304,590Cash paid during the year for income taxes\$ 211,601\$ 104,873Investing and financing activities with no effect on cash flows:\$ 280,193\$ 54,573Cash dividend payable\$ 600\$ 33Employee bonuses payable\$ 600\$ 3Remuneration to directors and supervisors payable\$ -\$ 15,797	Cash and cash equivalents, ended June 30, 2007 and 2006	\$ 915,505	\$ 1,198,332
Cash paid during the year for income taxes\$211,601\$104,873Investing and financing activities with no effect on cash flows:Cash dividend payable\$280,193\$54,573Employee bonuses payable\$60\$3Remuneration to directors and supervisors payable\$-\$15,797	Supplemental disclosures of cash flows information:		
Investing and financing activities with no effect on cash flows:Cash dividend payable\$ 280,193Employee bonuses payable\$ 60Remuneration to directors and supervisors payable\$ -\$ -\$ 15,797	Cash paid during the year for interest	\$ 335,431	\$ 304,590
Cash dividend payable\$280,193\$54,573Employee bonuses payable\$60\$3Remuneration to directors and supervisors payable\$-\$15,797	Cash paid during the year for income taxes	\$ 211,601	\$ 104,873
Employee bonuses payable\$60\$3Remuneration to directors and supervisors payable\$-\$15,797	Investing and financing activities with no effect on cash flows:		
Remuneration to directors and supervisors payable \$ - \$ 15,797	Cash dividend payable	\$ 280,193	\$ 54,573
	Employee bonuses payable	\$ 60	\$ 3
Current portion of long-term liabilities \$ - \$ 492,616	Remuneration to directors and supervisors payable	\$ -	\$ 15,797
	Current portion of long-term liabilities	\$ -	\$ 492,616

The accompanying notes are an integral part of the financial statements.