



VANGUARD INTERNATIONAL SEMICONDUCTOR CORPORATION
STATEMENTS OF CASH FLOWS
For the Years Ended March 31, 2004 and 2003
(Figures in Million of New Taiwan Dollars (NTD) and U.S. Dollars (USD))*

	3 MTHS 2004		3 MTHS 2003
	USD	NTD	NTD
Cash Flows from Operating Activities:			
Net Income (Loss)	33	1,092	(740)
Depreciation & Amortization	23	756	1,081
Investment gain recognized by equity method	(12)	(391)	(13)
Impairment loss on long-term stock investment	2	56	0
Gain on disposal of properties - net	(6)	(187)	(0)
Deferred income tax assets	6	217	0
Changes in working capital & others	(7)	(236)	33
Net Cash Provided by Operating Activities	39	1,307	361
Cash Flows from Investing Activities:			
Decrease (increase) in short-term investments	8	274	(2,200)
Acquisitions of Properties	(25)	(826)	(321)
Proceeds from disposal of properties	6	209	0
Increase in deferred charges	0	0	(2)
Net Cash Provided by (Used in) Investing Activities	(10)	(343)	(2,522)
Cash Flows from Financing Activities:			
Proceeds from (payments on):			
Short-term bank loans	12	408	(544)
Commercial paper issued	0	0	(630)
Long-term bank loans	(2)	(75)	(342)
Decrease in guarantee deposits	(4)	(151)	(68)
Proceeds from exercise of employee stock options	1	28	0
Issuance of common shares	0	0	1,802
Net Cash Provided By Financing Activities	6	210	218
Net Increase (Decrease) in Cash and Cash Equivalents	35	1,175	(1,943)
Cash and Cash Equivalents, Beginning of Period	43	1,493	5,376
Cash and Cash Equivalents, End of Period	78	2,668	3,432

* New Taiwan Dollar amounts have been translated into U.S. Dollars at the rate of NT\$33.551 per U.S. Dollar, the weighted average exchange rate for the three months of 2004.