



# Qisda Corporation 2016 Q2 Results

Aug 10, 2016

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## Q2 DMS Business Financial Results

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## Q2 DMS Business Income Statement: QoQ Analysis

Amount : NT\$ Billion

### DMS Business: (1)

	2016 Q2		2016 Q1		QoQ
<b>Net Sales</b>	23.72	100.0%	23.50	100.0%	0.9%
COGS	(21.83)		(21.64)		
<b>Gross Margin</b>	1.89	7.9%	1.87	7.9%	0.0 ppt
Opex	(1.10)	-4.6%	(1.09)	-4.6%	
<b>Operating Income</b>	0.79	3.3%	0.78	3.3%	0.0 ppt
Net Non-op Items	0.17		(0.22)		

### Consolidated: (2)

<b>Net Income</b>	0.74	2.3%	0.43	1.3%	+1.0 ppt
<b>Net Income, attributable to owners of Company</b>	0.80	2.5%	0.51	1.6%	+0.9 ppt
<b>EPS (NT\$)</b>	0.41		0.26		
<b>Net Worth / Share (NT\$)</b>	13.75		13.95		

(1) Based on unaudited Taiwan IFRS results of the DMS(Design, Manufacturing and Service) business

(2) Based on audited Taiwan IFRS results of consolidated financials. The company's operating segments include DMS, brand marketing & distribution, materials science, medical service and others

(3) EPS was calculated based on total weighted-averaged outstanding shares (1,966 m shares)

(4) Net worth per share was calculated based on total outstanding shares (1,966 m shares)

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## Q2 DMS Business Balance Sheet Highlights

Amount : NT\$ Billion

	2016 Q2		2016 Q1		QoQ
<b>Cash &amp; Equivalent</b>	3.40	4.8%	5.38	7.7%	(1.98)
<b>Accounts Receivable</b>	22.98	32.7%	21.31	30.5%	1.67
<b>Inventory</b>	9.17	13.1%	8.45	12.1%	0.72
<b>L-T Investments</b>	24.07	34.3%	24.38	34.9%	(0.31)
<b>Total Assets</b>	70.26	100.0%	69.86	100.0%	0.40
<b>Fin. Debt</b>	18.04	25.7%	20.31	29.1%	(2.27)
<b>Accounts Payable</b>	18.93	26.9%	17.28	24.7%	1.64
<b>Total Liabilities</b>	43.23	61.5%	42.42	60.7%	0.80
<b>Equity</b>	27.04	38.5%	27.44	39.3%	(0.40)

\* Based on unaudited Taiwan IFRS results of the DMS(Design, Manufacturing and Service) business

\* Fin. debt included long term and short term financial debts

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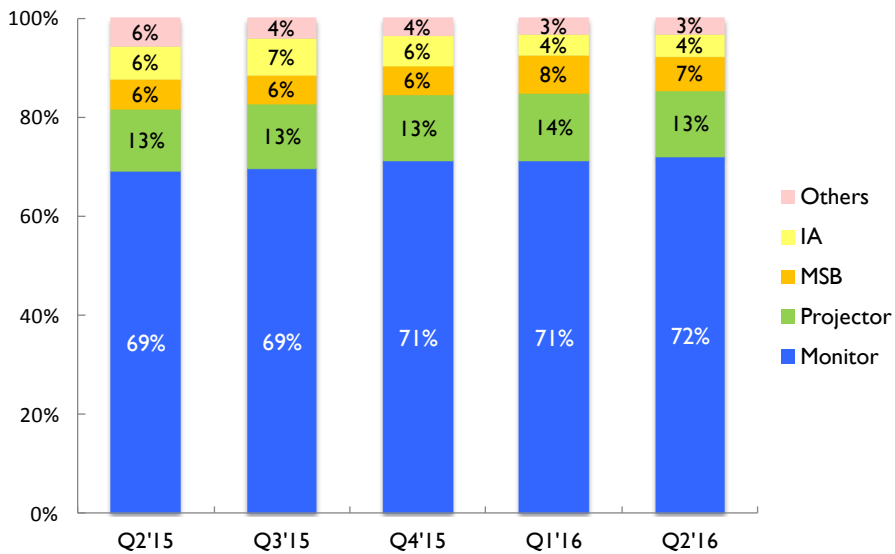
## Q2 DMS Business Key Financial Ratios

	<u>2016 Q2</u>	<u>2016 Q1</u>	<u>QoQ</u>
<b>A/R Turnover</b>	<b>87 days</b>	<b>82 days</b>	<b>+5 days</b>
<b>Inventory Turnover</b>	<b>40 days</b>	<b>36 days</b>	<b>+4 days</b>
<b>A/P Turnover</b>	<b>83 days</b>	<b>79 days</b>	<b>+4 days</b>
<b>Cash Conversion Cycle</b>	<b>44 days</b>	<b>39 days</b>	<b>+5 days</b>
<b>ROA</b>	<b>1.1%</b>	<b>0.7%</b>	<b>+0.4 ppt</b>
<b>ROE</b>	<b>2.9%</b>	<b>1.9%</b>	<b>+1.0 ppt</b>
<b>Current ratio</b>	<b>108.5%</b>	<b>105.2%</b>	<b>+3.3 ppt</b>
<b>Fin. Debt / Total Assets</b>	<b>25.7%</b>	<b>29.1%</b>	<b>-3.4 ppt</b>

\* Based on unaudited Taiwan IFRS results of the DMS(Design, Manufacturing and Service) business  
 \* ROA and ROE were calculated on a quarterly basis

## 2016 Q1 DMS Business Summary

## DMS Business Revenue Breakdown by Product Line



\* Professional/industrial display and automobile electronics products, herein referred to as "MSB"  
 \* Printer and scanner products, POS and surveillance products herein referred to as "IA"  
 \* "Others" includes, mobile and other products

## 2016 Q2 DMS Business Summary

- **Monitor :**
  - Unit shipment increased by 10.4% QoQ to 4.6M sets
- **Projector :**
  - Unit shipment increased by 2.7% QoQ to 302K sets



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## Value-Up Solutions

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**Qisda Corporation.**  
**Unaudited DMS Business Consolidated Balance Sheet**  
**Jun ,30, 2016**

UNIT : NT\$K

<b>Assets</b>			<b>Liabilities and stockholders' equity</b>		
<b>Current assets :</b>			<b>Liabilities</b>		
Cash & cash equivalents	\$ 3,399,825	5	Short- term borrowings	\$ 8,933,668	13
Current available-for-sale financial assets	84,936	0	Current financial liabilities at fair value through profit or loss	27,222	0
Notes and accounts receivable,net	15,566,356	22	N/P & A/P	17,119,801	24
N/R & A/R from related parties	7,410,687	11	N/P & A/P to related parties	1,805,474	3
Other receivables, net	10,335	0	Other payable	5,002,016	7
Other receivable from related parties	1,332,171	2	Other payable to related parties	113,406	0
Net inventories	9,171,812	13	Other current liabilities	356,727	1
Other current assets	772,329	1	Bonds payable due within one year	-	-
Other Finaancial assets-current	-	-	Long-term debt due within one year	1,400,000	2
Non-current assets classified as held for sale	-	-	Current provisions	28,827	0
<b>Total current assets</b>	<b>37,754,924</b>	<b>54</b>	<b>Total current liabilities</b>	<b>34,787,141</b>	<b>50</b>
<b>Non current assets</b>			Long term loan	7,704,750	11
Non-current available-for-sale financial assets	613,790	1	Leased Liabilities-non current	-	-
Investments accounted for using equity method	24,069,358	34	Provision Liabilities-non current	217,166	0
Property, plant and equipment	5,675,969	8	Deferred tax liabilities	43,930	0
Investment property	-	-	Other non-current liabilities, others	472,150	1
Intangible assets	27,909	0	<b>Total non-current liabilities</b>	<b>8,437,996</b>	<b>12</b>
Deferred tax assetsent	1,228,179	2	<b>Total Liabilities</b>	<b>43,225,137</b>	<b>62</b>
Other non-current assets	66,219	0	<b>Attributable to owners of company</b>		
Other non-current financial assets	41,453	0	Common stock	19,667,820	28
Long-term prepaid rents	782,634	1	Capital surplus	2,189,054	3
<b>Total Non current assets</b>	<b>32,505,512</b>	<b>46</b>	Retained Earnings	3,775,424	5
			Other equity interest	1,403,001	2
			Treasury Stock	-	-
			<b>Total stockholders' equity</b>	<b>27,035,299</b>	<b>38</b>
<b>Total Assets</b>	<b>\$ 70,260,436</b>	<b>100</b>	<b>Total Liabilities and stockholders' equity</b>	<b>\$ 70,260,436</b>	<b>100</b>

**Qisda Corporation.**  
**Unaudited DMS Business Consolidated Income Statement**  
**Jan~Jun' 2016**

UNIT : NT\$K

<b>Net sales</b>	\$ 47,219,330	100
Cost of goods sold	43,467,816	92
<b>Gross profit</b>	<b>3,751,514</b>	<b>8</b>
S & M	692,024	1
G & A	359,661	1
R & D	1,135,632	2
<b>Operating expense</b>	<b>2,187,316</b>	<b>5</b>
<b>Operating income (loss)</b>	<b>1,564,198</b>	<b>3</b>
<b>Total non-operating income (loss)</b>	<b>(46,681)</b>	<b>(0)</b>
<b>Profit before tax</b>	<b>1,517,516</b>	<b>3</b>
Income Tax Expense	206,028	0
<b>Profit after tax</b>	<b>1,311,488</b>	<b>3</b>
<b>Other comprehensive income (Profit after tax)</b>	<b>(476,358)</b>	<b>(1)</b>
<b>Comprehensive income</b>	<b>\$ 835,131</b>	<b>2</b>

**Qisda Corporation and Subsidiaries**  
**Consolidated Balance Sheets**  
**June 30, 2016, December 31, 2015, and June 30, 2015**  
**(Expressed in thousands of New Taiwan dollars)**

<b>Assets</b>	<b>2016.6.30</b>	<b>2015.12.31</b>	<b>2015.6.30</b>	<b>Liabilities and Equity</b>	<b>2016.6.30</b>	<b>2015.12.31</b>	<b>2015.6.30</b>
	<b>NT\$</b>	<b>NT\$</b>	<b>NT\$</b>		<b>NT\$</b>	<b>NT\$</b>	<b>NT\$</b>
<b>Current assets :</b>				<b>Current liabilities :</b>			
Cash and cash equivalents	\$ 8,019,427	9,036,050	9,436,706	Short-term borrowings	\$ 11,377,317	14,288,274	15,429,973
Financial assets at fair value through profit or loss – current	524,349	510,683	440,817	Financial liabilities at fair value through profit or loss – current	71,055	72,260	142,707
Available-for-sale financial assets – current	263,424	261,343	293,974	Notes and accounts payable	22,422,539	23,053,173	22,002,220
Notes and accounts receivable, net	21,658,753	20,407,299	20,093,485	Accounts payable to related parties	2,133,978	2,279,949	2,433,968
Notes and accounts receivable from related parties	4,266,517	4,655,002	4,190,740	Other payables	10,684,343	8,816,651	10,415,750
Other receivables, net	47,897	148,493	434,810	Other payables to related parties	124,433	16,756	28,741
Other receivables from related parties	449,717	208,580	578,323	Other current liabilities	640,951	671,409	578,882
Inventories	15,344,305	16,386,780	17,721,402	Current portion of long-term debt	2,232,665	2,489,197	2,519,303
Other current assets	1,544,671	1,503,817	1,328,813	Provisions – current	407,233	387,719	438,887
Other financial assets – current	220,677	2,710,710	2,490,641	<b>Total current liabilities</b>	<u>50,094,514</u>	<u>52,075,388</u>	<u>53,990,431</u>
<b>Total current assets</b>	<u>52,339,737</u>	<u>55,828,757</u>	<u>57,009,711</u>	<b>Non-current liabilities :</b>			
<b>Non-current assets :</b>				Long-term debt	11,826,563	14,071,273	15,205,868
Available-for-sale financial assets – non-current	936,058	856,956	1,098,345	Lease obligations payable – non-current	1,191,989	1,182,786	961,979
Investments accounted for using equity method	14,824,352	15,858,890	15,800,569	Provisions – non-current	772,748	784,043	842,416
Property, plant and equipment	19,303,846	19,545,376	19,159,710	Deferred income tax liabilities	68,089	68,402	118,000
Investment property	2,825,432	2,989,618	2,983,731	Other non-current liabilities	688,841	691,216	582,740
Intangible assets	241,338	198,299	153,266	<b>Total non-current liabilities</b>	<u>14,548,230</u>	<u>16,797,720</u>	<u>17,711,003</u>
Deferred income tax assets	1,771,067	1,775,567	1,829,499	<b>Total liabilities</b>	<u>64,642,744</u>	<u>68,873,108</u>	<u>71,701,434</u>
Other non-current assets	160,230	185,380	171,901	<b>Equity attributable to shareholders of the Company:</b>			
Other financial assets – non-current	195,514	207,126	199,076	Common stock	19,667,820	19,667,820	19,667,820
Long-term prepaid rents	2,715,397	2,797,862	2,755,331	Capital surplus	2,189,054	2,179,038	1,940,718
<b>Total non-current assets</b>	<u>42,973,234</u>	<u>44,415,074</u>	<u>44,151,428</u>	Retained earnings	3,775,424	3,545,665	2,716,538
				Other equity	1,403,001	1,879,359	992,104
				<b>Total equity attributable to shareholders of the Company</b>	<u>27,035,299</u>	<u>27,271,882</u>	<u>25,317,180</u>
				<b>Non-controlling interests</b>	<u>3,634,928</u>	<u>4,098,841</u>	<u>4,142,525</u>
				<b>Total equity</b>	<u>30,670,227</u>	<u>31,370,723</u>	<u>29,459,705</u>
<b>Total assets</b>	<u>\$ 95,312,971</u>	<u>100,243,831</u>	<u>101,161,139</u>	<b>Total liabilities and equity</b>	<u>\$ 95,312,971</u>	<u>100,243,831</u>	<u>101,161,139</u>

**Qisda Corporation and Subsidiaries**  
**Consolidated Statements of Comprehensive Income**  
**For the three-month periods ended June 30, 2016 and 2015, and for the six-month periods ended June 30, 2016 and 2015**  
**(Expressed in thousands of New Taiwan dollars, except earnings per share)**

	2016.4.1~6.30 NT\$	2015.4.1~6.30 NT\$	2016.1.1~6.30 NT\$	2015.1.1~6.30 NT\$
<b>Net sales</b>	\$ 31,520,968	33,209,697	63,285,143	65,637,793
<b>Cost of sales</b>	(27,369,766)	(29,474,989)	(55,260,561)	(58,435,449)
<b>Gross profit</b>	<u>4,151,202</u>	<u>3,734,708</u>	<u>8,024,582</u>	<u>7,202,344</u>
<b>Operating expenses:</b>				
Selling expenses	(1,353,135)	(1,490,993)	(2,685,499)	(2,963,242)
Administrative expenses	(605,881)	(729,741)	(1,275,354)	(1,444,668)
Research and development expenses	(814,770)	(870,216)	(1,600,564)	(1,699,772)
<b>Total operating expenses</b>	<u>(2,773,786)</u>	<u>(3,090,950)</u>	<u>(5,561,417)</u>	<u>(6,107,682)</u>
<b>Operating income</b>	<u>1,377,416</u>	<u>643,758</u>	<u>2,463,165</u>	<u>1,094,662</u>
<b>Non-operating income and loss:</b>				
Other income	74,541	125,514	141,481	210,072
Other gains and losses – net	(321,737)	170,001	(422,686)	255,214
Finance costs	(150,810)	(192,858)	(322,182)	(386,778)
Share of profits (losses) of associates and joint ventures	(8,200)	297,316	(375,062)	647,297
<b>Total non-operating income and loss</b>	<u>(406,206)</u>	<u>399,973</u>	<u>(978,449)</u>	<u>725,805</u>
<b>Income before income tax</b>	971,210	1,043,731	1,484,716	1,820,467
<b>Income tax expense</b>	(235,387)	(252,414)	(322,832)	(356,441)
<b>Net income for the period</b>	<u>735,823</u>	<u>791,317</u>	<u>1,161,884</u>	<u>1,464,026</u>
<b>Other comprehensive income:</b>				
<b>Items that may be reclassified subsequently to profit or loss:</b>				
Exchange differences on translation of foreign operations	(149,289)	(263,589)	(456,654)	(536,360)
Change in fair value of available-for-sale financial assets	67,940	(670,258)	93,874	(498,238)
Share of other comprehensive income of associates and joint ventures	(79,255)	(98,338)	(190,807)	(171,868)
Less: Income tax related to items that may be reclassified subsequently to profit or loss	-	-	-	-
<b>Other comprehensive income for the period, net of income tax</b>	<u>(160,604)</u>	<u>(1,032,185)</u>	<u>(553,587)</u>	<u>(1,206,466)</u>
<b>Total comprehensive income for the period</b>	<u>\$ 575,219</u>	<u>(240,868)</u>	<u>608,297</u>	<u>257,560</u>
<b>Net income (loss) attributable to:</b>				
Shareholders of the Company	\$ 797,565	720,046	1,311,489	1,340,051
Non-controlling interests	(61,742)	71,271	(149,605)	123,975
	<u>\$ 735,823</u>	<u>791,317</u>	<u>1,161,884</u>	<u>1,464,026</u>
<b>Total comprehensive income attributable to:</b>				
Shareholders of the Company	\$ 672,069	(243,630)	835,131	259,806
Non-controlling interests	(96,850)	2,762	(226,834)	(2,246)
	<u>\$ 575,219</u>	<u>(240,868)</u>	<u>608,297</u>	<u>257,560</u>
<b>Earnings per share (in New Taiwan dollars):</b>				
<b>Basic earnings per share</b>	<u>\$ 0.41</u>	<u>0.37</u>	<u>0.67</u>	<u>0.68</u>
<b>Diluted earnings per share</b>	<u>\$ 0.40</u>	<u>0.36</u>	<u>0.66</u>	<u>0.67</u>



**Qisda Corporation and Subsidiaries**  
**Consolidated Statements of Changes in Equity**  
**For the six-month periods ended June 30, 2016 and 2015**  
**(Expressed in thousands of New Taiwan dollars)**

	Attributable to shareholders of the Company											
	Common Stock	Capital surplus	Retained earnings			Other equity				Total equity of the Company	Non-controlling interests	Total equity
			Legal reserve	Retained earnings	Total	Foreign currency translation differences	Unrealized gain (loss) from available-for-sale financial assets	Remeasurements of defined benefit plans	Total			
NT\$	NT\$	NT\$	NT\$	NT\$	NT\$	NT\$	NT\$	NT\$	NT\$	NT\$	NT\$	
<b>Balance at January 1, 2015</b>	\$ 19,667,820	1,990,292	-	2,426,890	2,426,890	1,654,336	547,679	-	2,202,015	26,287,017	4,747,446	31,034,463
Effects of retrospective restatement	-	-	-	129,666	129,666	-	-	(129,666)	(129,666)	-	-	-
Restated balance at January 1, 2015	19,667,820	1,990,292	-	2,556,556	2,556,556	1,654,336	547,679	(129,666)	2,072,349	26,287,017	4,747,446	31,034,463
Appropriation of earnings:												
Legal reserve	-	-	242,689	(242,689)	-	-	-	-	-	-	-	-
Cash dividends distributed to shareholders	-	-	-	(1,180,069)	(1,180,069)	-	-	-	-	(1,180,069)	-	(1,180,069)
Changes in equity of associates and joint ventures accounted for using equity method	-	56,432	-	-	-	-	-	-	-	56,432	-	56,432
Difference between consideration and carrying amount arising from acquisition or disposal of shares in subsidiaries	-	(106,961)	-	-	-	-	-	-	-	(106,961)	(379,805)	(486,766)
Distribution of cash dividend by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(247,286)	(247,286)
Stock option compensation cost of subsidiary	-	-	-	-	-	-	-	-	-	-	4,831	4,831
Capital injection from non-controlling interests	-	955	-	-	-	-	-	-	-	955	21,091	22,046
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(1,506)	(1,506)
Net income for the period	-	-	-	1,340,051	1,340,051	-	-	-	-	1,340,051	123,975	1,464,026
Other comprehensive income for the period	-	-	-	-	-	(590,107)	(490,138)	-	(1,080,245)	(1,080,245)	(126,221)	(1,206,466)
Total comprehensive income for the period	-	-	-	1,340,051	1,340,051	(590,107)	(490,138)	-	(1,080,245)	259,806	(2,246)	257,560
<b>Balance at June 30, 2015</b>	<b>\$ 19,667,820</b>	<b>1,940,718</b>	<b>242,689</b>	<b>2,473,849</b>	<b>2,716,538</b>	<b>1,064,229</b>	<b>57,541</b>	<b>(129,666)</b>	<b>992,104</b>	<b>25,317,180</b>	<b>4,142,525</b>	<b>29,459,705</b>
<b>Balance at January 1, 2016</b>	\$ 19,667,820	2,179,038	242,689	3,302,976	3,545,665	2,097,271	(27,522)	(190,390)	1,879,359	27,271,882	4,098,841	31,370,723
Appropriation of earnings:												
Legal reserve	-	-	216,918	(216,918)	-	-	-	-	-	-	-	-
Cash dividends distributed to shareholders	-	-	-	(1,081,730)	(1,081,730)	-	-	-	-	(1,081,730)	-	(1,081,730)
Changes in equity of associates and joint ventures accounted for using equity method	-	11,599	-	-	-	-	-	-	-	11,599	-	11,599
Difference between consideration and carrying amount arising from acquisition or disposal of shares in subsidiaries	-	(792)	-	-	-	-	-	-	-	(792)	(508)	(1,300)
Distribution of cash dividend by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(246,821)	(246,821)
Stock option compensation cost of subsidiary	-	-	-	-	-	-	-	-	-	-	5,077	5,077
Changes in ownership interests in subsidiaries	-	(791)	-	-	-	-	-	-	-	(791)	791	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	4,382	4,382
Net income (loss) for the period	-	-	-	1,311,489	1,311,489	-	-	-	-	1,311,489	(149,605)	1,161,884
Other comprehensive income for the period	-	-	-	-	-	(578,972)	102,614	-	(476,358)	(476,358)	(77,229)	(553,587)
Total comprehensive income for the period	-	-	-	1,311,489	1,311,489	(578,972)	102,614	-	(476,358)	835,131	(226,834)	608,297
<b>Balance at June 30, 2016</b>	<b>\$ 19,667,820</b>	<b>2,189,054</b>	<b>459,607</b>	<b>3,315,817</b>	<b>3,775,424</b>	<b>1,518,299</b>	<b>75,092</b>	<b>(190,390)</b>	<b>1,403,001</b>	<b>27,035,299</b>	<b>3,634,928</b>	<b>30,670,227</b>

**Qisda Corporation and Subsidiaries**  
**Consolidated Statements of Cash Flows**  
**For the six-month periods ended June 30, 2016 and 2015**  
**(Expressed in thousands of New Taiwan dollars)**

	2016.1.1~6.30 NT\$	2015.1.1~6.30 NT\$
<b>Cash flows from operating activities:</b>		
<b>Income before income tax</b>	\$ 1,484,716	1,820,467
<b>Adjustments for:</b>		
Depreciation	925,541	1,015,518
Amortization	100,027	106,434
Provision for bad debt expense	13,254	8,829
Interest expense	322,182	386,778
Interest income	(51,289)	(100,885)
Dividend income	-	(34,366)
Share-based compensation cost	5,077	4,831
Share of losses (profits) of associates and joint ventures	375,062	(647,297)
Loss on disposal of property, plant and equipment, net	881	689
Gain on disposal of non-current assets held for sale	-	(112,180)
Gain on disposal of investments	(10,550)	(38,063)
Impairment loss on financial assets	91,274	-
Gain from bargain purchase	(38,020)	-
Total non-cash profit and loss	1,733,439	590,288
<b>Changes in operating assets and liabilities:</b>		
Decrease (increase) in financial assets and liabilities at fair value through profit or loss	(14,871)	59,305
Decrease (increase) in notes and accounts receivable	(1,249,192)	2,796,940
Decrease in notes and accounts receivable from related parties	388,485	1,147,031
Decrease in other receivables	37,956	278,782
Decrease (increase) in other receivables from related parties	10,737	(4,332)
Decrease in inventories	1,048,474	50,783
Decrease in other current assets	2,976	170,421
Decrease in other non-current assets	13,820	16,109
Net changes in operating assets	238,385	4,515,039
Decrease in notes and accounts payable	(653,114)	(4,165,419)
Decrease in accounts payable to related parties	(145,971)	(238,831)
Increase in other payables to related parties	3,590	2,036
Increase (decrease) in provisions	8,219	(19,860)
Increase (decrease) in other current liabilities	667,540	(495,414)
Increase (decrease) in other non-current liabilities	(2,375)	51,325
Net changes in operating liabilities	(122,111)	(4,866,163)
Total changes in operating assets and liabilities	116,274	(351,124)
Cash provided by operations	3,334,429	2,059,631
Interest received	116,254	110,455
Dividends received	-	192
Interest paid	(302,055)	(359,031)
Income taxes paid	(408,281)	(421,021)
<b>Net cash provided by operating activities</b>	2,740,347	1,390,226
<b>Cash flows from investing activities:</b>		
Purchase of available-for-sale financial assets	(80,563)	(612,664)
Proceeds from sale of available-for-sale financial assets	-	180,039
Purchase of investments accounted for using equity method	-	(63,000)
Proceeds from disposal of investments accounted for using equity method	10,979	-
Acquisition of a subsidiary, net of cash acquired	(43,834)	-
Proceeds from disposal of non-current assets held for sale	-	145,092
Additions to property, plant and equipment	(708,871)	(761,645)
Additions to investment property	(22,403)	(47,344)
Proceeds from disposal of property, plant and equipment	1,725	19,740
Decrease (increase) in loan receivables from related parties	181,191	(16,021)
Additions to intangible assets	(42,392)	(31,342)
Decrease (increase) in other financial assets	2,501,653	(120,971)
Increase in long-term prepaid rents	(2,102)	-
<b>Net cash provided by (used in) investing activities</b>	1,795,383	(1,308,116)
<b>Cash flows from financing activities:</b>		
Increase in short-term borrowings	4,399,752	1,291,559
Decrease in short-term borrowings	(7,592,835)	-
Increase in long-term debt	2,335,000	3,724,800
Repayment of long-term debt	(4,603,720)	(3,966,602)
Decrease in lease obligations payable	(9,431)	(15,731)
Acquisition of subsidiary's interests from non-controlling interests	(1,300)	(510,265)
Proceeds from disposal of subsidiary's interests (without losing control)	-	23,499
Capital injection from non-controlling interests	-	22,046
<b>Net cash provided by (used in) financing activities</b>	(5,472,534)	569,306
<b>Effects of foreign exchange rate changes</b>	(79,819)	(203,684)
<b>Net increase (decrease) in cash and cash equivalents</b>	(1,016,623)	447,732
<b>Cash and cash equivalents at beginning of period</b>	9,036,050	8,988,974
<b>Cash and cash equivalents at end of period</b>	\$ 8,019,427	9,436,706