



# Qisda Corporation 2015 Q2 Results

Aug 12, 2015

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## Q2 DMS Business Financial Results

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## Q2 DMS Business Income Statement: QoQ Analysis

Amount : NT\$ Billion

	2015 Q2		2015 Q1		QoQ
<b>DMS Business:</b> (1)					
Net Sales	25.65	100.0%	24.14	100.0%	6.2%
COGS	(23.76)		(22.49)		
Gross Margin	1.89	7.4%	1.65	6.8%	+0.6 ppt
Opex	(1.32)	-5.2%	(1.31)	-5.4%	
Operating Income	0.57	2.2%	0.34	1.4%	+0.8 ppt
Net Non-op Items	0.31		0.35		
<b>Consolidated:</b> (2)					
Net Income	0.79	2.4%	0.67	2.1%	+0.3 ppt
Net Income, attributable to owners of Company	0.72	2.2%	0.62	1.9%	+0.3 ppt
EPS (NT\$)	0.37		0.32		
Net Worth / Share (NT\$)	12.87		13.63		

(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

	2015 Q2		2015 Q1		QoQ
Cash & Equivalent	6.83	9.2%	7.09	9.2%	(0.26)
Accounts Receivable	21.87	29.5%	23.91	31.2%	(2.05)
Inventory	10.47	14.1%	10.43	13.6%	0.05
L-T Investments	24.35	32.9%	25.45	33.2%	(1.10)
Total Assets	74.11	100.0%	76.63	100.0%	(2.52)
Fin. Debt	23.74	32.0%	25.41	33.2%	(1.67)
Accounts Payable	18.59	25.1%	19.20	25.1%	(0.61)
Total Liabilities	48.79	65.8%	49.83	65.0%	(1.04)
Equity	25.32	34.2%	26.80	35.0%	(1.48)

\* 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

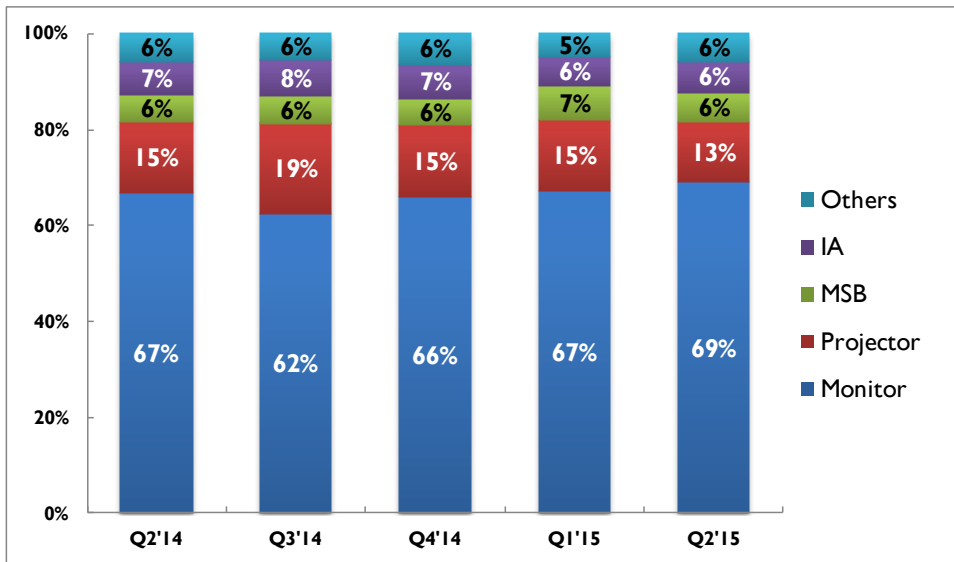
	<u>2015 Q2</u>	<u>2015 Q1</u>	<u>QoQ</u>
<b>A/R Turnover</b>	77 days	89 days	-12 days
<b>Inventory Turnover</b>	45 days	47 days	-2 days
<b>A/P Turnover</b>	77 days	84 days	-7 days
<b>Cash Conversion Cycle</b>	45 days	52 days	-7 days
<b>ROA</b>	1.0%	0.8%	+0.2 ppt
<b>ROE</b>	2.8%	2.3%	+0.5 ppt
<b>Current ratio</b>	110.7%	108.4%	+2.3 ppt
<b>Fin. Debt / Total Assets</b>	32.0%	33.2%	-1.2 ppt

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

\* ROA and ROE were calculated on a quarterly basis

## Q2 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, herein referred to as "IA"

\* "Others" includes, mobile and other products

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## 2015 Q2 DMS Business Summary

- **Monitor :**

- Unit shipment increased by 16% QoQ to 4.2M sets

- **Projector :**

- Unit shipment decreased by 2.4% QoQ to 337K sets

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## Value-Up Solutions

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**Qisda Corporation.**  
**Unaudited DMS Business Consolidated Balance Sheet**  
**Jun ,30, 2015**

UNIT : NT\$K

<b>Assets</b>			<b>Liabilities and stockholders' equity</b>		
<b>Current assets :</b>			<b>Liabilities</b>		
Cash & cash equivalents	\$ 6,141,636	8	Short- term borrowings	\$ 12,150,240	16
Current available-for-sale financial assets	105,447	0	Current financial liabilities at fair value through profit or loss	16,283	0
Notes and accounts receivable,net	14,293,242	19	N/P & A/P	16,913,771	23
N/R & A/R from related parties	7,571,968	10	N/P & A/P to related parties	1,677,396	2
Other receivables, net	305,944	0	Other payable	5,253,925	7
Other receivable from related parties	1,081,122	1	Other payable to related parties	15,950	0
Net inventories	10,473,837	14	Other current liabilities	436,934	1
Other current assets	593,768	1	Bonds payable due within one year	-	-
Other Finaancial assets-current	688,672	1	Long-term debt due within one year	780,464	1
Non-current assets classified as held for sale	-	-	Current provisions	39,165	0
<b>Total current assets</b>	<b>41,264,055</b>	<b>56</b>	<b>Total current liabilities</b>	<b>37,284,129</b>	<b>50</b>
<b>Non current assets</b>			Long term loan	10,808,559	15
Non-current available-for-sale financial assets	535,011	1	Leased Liabilities-non current	-	-
Investments accounted for using equity method	24,352,266	33	Provision Liabilities-non current	224,453	0
Property, plant and equipment	5,842,093	8	Deferred tax liabilities	43,792	0
Investment property	-	-	Other non-current liabilities, others	426,945	1
Intangible assets	23,072	0	<b>Total non-current liabilities</b>	<b>11,503,749</b>	<b>16</b>
Deferred tax assetsent	1,222,590	2	<b>Total Liabilities</b>	<b>48,787,878</b>	<b>66</b>
Other non-current assets	53,336	0	<b>Attributable to owners of company</b>		
Other non-current financial assets	42,825	0	Common stock	19,667,820	27
Long-term prepaid rents	769,811	1	Capital surplus	1,940,719	3
<b>Total Non current assets</b>	<b>32,841,004</b>	<b>44</b>	Retained Earnings	2,716,538	4
			Other equity interest	992,104	1
			Treasury Stock	-	-
			<b>Total stockholders' equity</b>	<b>25,317,180</b>	<b>34</b>
<b>Total Assets</b>	<b>\$ 74,105,059</b>	<b>100</b>	<b>Total Liabilities and stockholders' equity</b>	<b>\$ 74,105,059</b>	<b>100</b>

**Qisda Corporation.**  
**Unaudited DMS Business Consolidated Income Statement**  
**Jan~Jun' 2015**

UNIT : NT\$K

<b>Net sales</b>	\$ 49,789,476	100
Cost of goods sold	46,247,026	93
<b>Gross profit</b>	<b>3,542,450</b>	<b>7</b>
S & M	1,003,649	2
G & A	436,260	1
R & D	1,196,927	2
<b>Operating expense</b>	<b>2,636,836</b>	<b>5</b>
<b>Operating income (loss)</b>	<b>905,615</b>	<b>2</b>
<b>Total non-operating income (loss)</b>	<b>663,436</b>	<b>1</b>
<b>Profit before tax</b>	<b>1,569,051</b>	<b>3</b>
Income Tax Expense	229,000	0
<b>Profit after tax</b>	<b>1,340,051</b>	<b>3</b>
<b>Other comprehensive income (Profit after tax)</b>	<b>(1,080,245)</b>	<b>(2)</b>
<b>Comprehensive income</b>	<b>\$ 259,806</b>	<b>1</b>

**Qisda Corporation and Subsidiaries**  
**Consolidated Balance Sheets**  
**June 30, 2015, December 31, 2014 and June 30, 2014**  
**(Expressed in thousands of New Taiwan dollars)**

	2015.6.30	2014.12.31	2014.6.30		2015.6.30	2014.12.31	2014.6.30
Assets	NT\$	(Restated)	(Restated)	Liabilities and Equity	NT\$	(Restated)	(Restated)
<b>Current assets :</b>				<b>Current liabilities :</b>			
Cash and cash equivalents	\$ 9,436,706	8,988,974	10,667,458	Short-term borrowings	\$ 15,429,973	14,138,414	14,231,739
Financial assets at fair value through profit or loss – current	440,817	477,624	401,811	Financial liabilities at fair value through profit or loss – current	142,707	120,653	29,616
Available-for-sale financial assets – current	293,974	534,674	157,271	Notes and accounts payable	22,002,220	26,167,639	22,832,525
Notes and accounts receivable, net	20,093,485	22,879,253	19,519,627	Accounts payable to related parties	2,433,968	2,672,799	1,863,994
Notes and accounts receivable from related parties	4,190,740	5,337,771	5,605,314	Other payables	10,415,750	9,631,495	9,341,631
Other receivables	434,810	688,988	691,820	Other payables to related parties	28,741	26,705	91,565
Other receivables from related parties	578,323	182,598	278,015	Other current liabilities	578,882	625,377	642,360
Inventories	17,721,402	17,772,185	14,701,666	Current portion of long-term debt	2,519,303	3,217,919	6,325,403
Other current assets	1,328,813	1,504,410	1,513,136	Provisions – current	438,887	500,283	483,220
Other financial assets – current	2,490,641	1,595,226	1,327,859	<b>Total current liabilities</b>	<b>53,990,431</b>	<b>57,101,284</b>	<b>55,842,053</b>
Non-current assets held for sale	-	54,065	-	<b>Non-current liabilities :</b>			
<b>Total current assets</b>	<b>57,009,711</b>	<b>60,015,768</b>	<b>54,863,977</b>	Long-term debt	15,205,868	14,943,270	12,484,198
<b>Non-current assets :</b>				Lease obligations payable – non-current	961,979	961,605	964,756
Available-for-sale financial assets – non-current	1,098,345	904,407	1,095,650	Provisions – non-current	842,416	800,880	816,378
Investments accounted for using equity method	15,800,569	15,581,079	14,086,373	Deferred income tax liabilities	118,000	147,213	94,079
Property, plant and equipment	19,159,710	19,892,498	19,475,599	Other non-current liabilities	582,740	531,415	380,632
Investment property	2,983,731	3,109,718	2,980,726	<b>Total non-current liabilities</b>	<b>17,711,003</b>	<b>17,384,383</b>	<b>14,740,043</b>
Intangible assets	153,266	208,428	169,519	<b>Total liabilities</b>	<b>71,701,434</b>	<b>74,485,667</b>	<b>70,582,096</b>
Deferred income tax assets	1,829,499	1,802,527	1,735,288	<b>Equity attributable to shareholders of the Company :</b>			
Other non-current assets	171,901	171,250	141,444	Common stock	19,667,820	19,667,820	19,667,820
Other financial assets – non-current	199,076	973,520	1,012,683	Capital surplus	1,940,718	1,990,292	1,999,496
Long-term prepaid rents	2,755,331	2,860,935	2,783,621	Retained earnings	2,716,538	2,556,556	769,861
<b>Total non-current assets</b>	<b>44,151,428</b>	<b>45,504,362</b>	<b>43,480,903</b>	Other equity	992,104	2,072,349	847,924
				Treasury stock	-	-	(213)
				<b>Total equity attributable to shareholders of the Company</b>	<b>25,317,180</b>	<b>26,287,017</b>	<b>23,284,888</b>
				<b>Non-controlling interests</b>	<b>4,142,525</b>	<b>4,747,446</b>	<b>4,477,896</b>
				<b>Total equity</b>	<b>29,459,705</b>	<b>31,034,463</b>	<b>27,762,784</b>
<b>Total assets</b>	<b>\$ 101,161,139</b>	<b>105,520,130</b>	<b>98,344,880</b>	<b>Total liabilities and equity</b>	<b>\$ 101,161,139</b>	<b>105,520,130</b>	<b>98,344,880</b>

**Qisda Corporation and Subsidiaries**  
**Consolidated Statements of Comprehensive Income**  
For the three-month period ended June 30, 2015 and 2014, and for the six-month periods ended June 30, 2015 and 2014  
(Expressed in thousands of New Taiwan dollars, except earnings per share)

	2015.4.1~6.30 NT\$	2014.4.1~6.30 NT\$	2015.1.1~6.30 NT\$	2014.1.1~6.30 NT\$
<b>Net sales</b>	\$ 33,209,697	33,360,918	65,637,793	63,174,431
<b>Cost of sales</b>	(29,474,989)	(29,552,933)	(58,435,449)	(55,816,808)
<b>Gross profit</b>	<u>3,734,708</u>	<u>3,807,985</u>	<u>7,202,344</u>	<u>7,357,623</u>
<b>Operating expenses:</b>				
Selling expenses	(1,490,993)	(1,525,890)	(2,963,242)	(2,841,201)
Administrative expenses	(729,741)	(705,386)	(1,444,668)	(1,406,287)
Research and development expenses	(870,216)	(831,976)	(1,699,772)	(1,567,359)
<b>Total operating expenses</b>	<u>(3,090,950)</u>	<u>(3,063,252)</u>	<u>(6,107,682)</u>	<u>(5,814,847)</u>
<b>Operating income</b>	<u>643,758</u>	<u>744,733</u>	<u>1,094,662</u>	<u>1,542,776</u>
<b>Non-operating income and loss:</b>				
Other income	125,514	115,650	210,072	198,718
Other gains and losses – net	170,001	146,442	255,214	37,239
Finance costs	(192,858)	(239,829)	(386,778)	(478,599)
Share of profit of associates and joint ventures	297,316	280,096	647,297	261,252
<b>Total non-operating income and loss</b>	<u>399,973</u>	<u>302,359</u>	<u>725,805</u>	<u>18,610</u>
<b>Income before income tax</b>	1,043,731	1,047,092	1,820,467	1,561,386
<b>Income tax expense</b>	(252,414)	(92,524)	(356,441)	(183,369)
<b>Net income</b>	<u>791,317</u>	<u>954,568</u>	<u>1,464,026</u>	<u>1,378,017</u>
<b>Other comprehensive income:</b>				
<b>Components of other comprehensive income that will be reclassified to profit or loss:</b>				
Exchange differences on translation of foreign operations	(263,589)	(363,337)	(536,360)	(201,055)
Change in fair value of available-for-sale financial assets	(670,258)	(85,637)	(498,238)	(75,893)
Share of other comprehensive income of associates and joint ventures	(98,338)	(88,019)	(171,868)	(73,083)
Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
<b>Other comprehensive income for the period, net of income tax</b>	<u>(1,032,185)</u>	<u>(536,993)</u>	<u>(1,206,466)</u>	<u>(350,031)</u>
<b>Total comprehensive income for the period</b>	<u>\$ (240,868)</u>	<u>417,575</u>	<u>257,560</u>	<u>1,027,986</u>
<b>Net income attributable to:</b>				
Shareholders of the Company	\$ 720,046	832,852	1,340,051	1,117,198
Non-controlling interests	71,271	121,716	123,975	260,819
	<u>\$ 791,317</u>	<u>954,568</u>	<u>1,464,026</u>	<u>1,378,017</u>
<b>Total comprehensive income attributable to:</b>				
Shareholders of the Company	\$ (243,630)	361,128	259,806	812,400
Non-controlling interests	2,762	56,447	(2,246)	215,586
	<u>\$ (240,868)</u>	<u>417,575</u>	<u>257,560</u>	<u>1,027,986</u>
<b>Earnings per share (in New Taiwan dollars):</b>				
<b>Basic earnings per share</b>	<u>\$ 0.37</u>	<u>0.42</u>	<u>0.68</u>	<u>0.57</u>
<b>Diluted earnings per share</b>	<u>\$ 0.36</u>	<u>0.42</u>	<u>0.67</u>	<u>0.57</u>



**Qisda Corporation and Subsidiaries**  
**Consolidated Statements of Changes in Equity**  
**For the six-month periods ended June 30, 2015 and 2014**  
**(Expressed in thousands of New Taiwan dollars)**

	Attributable to shareholders of the Company												
	Common Stocks	Capital surplus	Legal reserve	Retained earnings		Foreign currency translation differences	Other equity			Treasury stock	Total equity of the Company	Non- controlling interests	Total equity
				Retained earnings (accumulated deficit)	Total		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\$	NT\$	NT\$
<b>Balance at January 1, 2014</b>	\$ 19,667,820	-	-	(447,263)	(447,263)	832,371	499,151	-	1,331,522	(213)	20,551,866	2,872,842	23,424,708
Effects of retrospective application and retrospective restatement	-	-	-	99,926	99,926	-	-	(99,926)	(99,926)	-	-	-	-
<b>Restated balance at January 1, 2014</b>	<b>\$ 19,667,820</b>	<b>-</b>	<b>-</b>	<b>(347,337)</b>	<b>(347,337)</b>	<b>832,371</b>	<b>499,151</b>	<b>(99,926)</b>	<b>1,231,596</b>	<b>(213)</b>	<b>20,551,866</b>	<b>2,872,842</b>	<b>23,424,708</b>
Changes in equity of associates and joint ventures accounted for using equity method	-	21,294	-	-	-	-	-	-	-	-	21,294	-	21,294
Difference between consideration and carrying amount arising from acquisition or disposal of subsidiaries	-	251,711	-	-	-	-	-	-	-	-	251,711	92,014	343,725
Cash dividends from subsidiaries paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(60,992)	(60,992)
Stock option compensation cost of subsidiary	-	-	-	-	-	-	-	-	-	-	-	5,646	5,646
Capital injection from non-controlling interests	-	1,726,491	-	-	-	(78,874)	-	-	(78,874)	-	1,647,617	1,374,147	3,021,764
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(21,347)	(21,347)
Net income for the period	-	-	-	1,117,198	1,117,198	-	-	-	-	-	1,117,198	260,819	1,378,017
Other comprehensive income (loss) for the period	-	-	-	-	-	(240,560)	(64,238)	-	(304,798)	-	(304,798)	(45,233)	(350,031)
Total comprehensive income (loss) for the period	-	-	-	1,117,198	1,117,198	(240,560)	(64,238)	-	(304,798)	-	812,400	215,586	1,027,986
<b>Balance at June 30, 2014, after adjustments</b>	<b>\$ 19,667,820</b>	<b>1,999,496</b>	<b>-</b>	<b>769,861</b>	<b>769,861</b>	<b>512,937</b>	<b>434,913</b>	<b>(99,926)</b>	<b>847,924</b>	<b>(213)</b>	<b>23,284,888</b>	<b>4,477,896</b>	<b>27,762,784</b>
<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 application and retrospective restatement	-	-	-	129,666	129,666	-	-	(129,666)	(129,666)	-	-	-	-
<b>Restated balance at January 1, 2015</b>	<b>\$ 19,667,820</b>	<b>1,990,292</b>	<b>-</b>	<b>2,556,556</b>	<b>2,556,556</b>	<b>1,654,336</b>	<b>547,679</b>	<b>(129,666)</b>	<b>2,072,349</b>	<b>-</b>	<b>26,287,017</b>	<b>4,747,446</b>	<b>31,034,463</b>
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 subsidiaries	-	(106,961)	-	-	-	-	-	-	-	-	(106,961)	(379,805)	(486,766)
Cash dividends from subsidiaries paid 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 (loss) for the period	-	-	-	-	-	(590,107)	(490,138)	-	(1,080,245)	-	(1,080,245)	(126,221)	(1,206,466)
Total comprehensive income (loss) 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>-</b>	<b>25,317,180</b>	<b>4,142,525</b>	<b>29,459,705</b>

**Qisda Corporation and Subsidiaries**  
**Consolidated Statements of Cash Flows**  
**For the six-month periods ended June 30, 2015 and 2014**  
**(Expressed in thousands of New Taiwan dollars)**

	2015.1.1~6.30	2014.1.1~6.30
	NT\$	NT\$
<b>Cash flows from operating activities:</b>		
<b>Income before income tax</b>	\$ 1,820,467	1,561,386
<b>Adjustments for:</b>		
Depreciation	1,015,518	1,004,074
Amortization	106,434	106,261
Provision for bad debt expense	8,829	18,227
Interest expense	386,778	478,599
Interest income	(100,885)	(165,189)
Dividend income	(34,366)	(18,277)
Share-based compensation cost	4,831	5,646
Share of profit of associates and joint ventures	(647,297)	(261,252)
Loss on disposal of property, plant and equipment, net	689	2,718
Gain on disposal of non-current assets held for sale	(112,180)	-
Gain on disposal of investments	(38,063)	(110,113)
Total non-cash profit and loss	<u>590,288</u>	<u>1,060,694</u>
Changes in operating assets and liabilities:		
Financial assets and liabilities at fair value through profit or loss	59,305	(196,310)
Notes and accounts receivable	2,796,940	(6,879,376)
Notes and accounts receivable from related parties	1,147,031	(2,796,132)
Other receivables	278,782	640,069
Other receivables from related parties	(4,332)	2,191
Inventories	50,783	(29,887)
Other current assets	170,421	769,502
Other non-current assets	16,109	(60,024)
Net changes in operating assets	<u>4,515,039</u>	<u>(8,549,967)</u>
Notes and accounts payable	(4,165,419)	193,637
Accounts payable to related parties	(238,831)	(20,587)
Other payables to related parties	2,036	29,194
Provisions	(19,860)	48,791
Other current liabilities	(495,414)	281,260
Other non-current liabilities	51,325	168
Net changes in operating liabilities	<u>(4,866,163)</u>	<u>532,463</u>
Total changes in operating assets and liabilities	<u>(351,124)</u>	<u>(8,017,504)</u>
Cash provided by (used in) operations	2,059,631	(5,395,424)
Interest received	110,455	159,376
Dividends received	192	18,277
Interest paid	(359,031)	(460,414)
Income taxes paid	(421,021)	(300,043)
<b>Net cash provided by (used in) operating activities</b>	<u>1,390,226</u>	<u>(5,978,228)</u>
<b>Cash flows from investing activities:</b>		
Additions to available-for-sale financial assets	(612,664)	(212,106)
Proceeds from sale of available-for-sale financial assets	180,039	10,568
Purchase of investments accounted for using equity method	(63,000)	(40,904)
Proceeds from disposal of non-current assets held for sale	145,092	-
Additions to property, plant and equipment	(761,645)	(379,734)
Additions to investment property	(47,344)	(619,728)
Proceeds from disposal of property, plant and equipment	19,740	1,784
Increase in loan receivables from related parties	(16,021)	(11,651)
Additions to intangible assets	(31,342)	(61,979)
Decrease (Increase) in other financial assets	(120,971)	205,696
Net cash outflow from deconsolidation of subsidiary	-	(35,855)
<b>Net cash used in investing activities</b>	<u>(1,308,116)</u>	<u>(1,143,909)</u>
<b>Cash flows from financing activities:</b>		
Increase in short-term borrowings	1,291,559	4,369,783
Increase in long-term debt	3,724,800	4,085,250
Repayment of long-term debt	(3,966,602)	(5,575,710)
Decrease in lease obligations payable	(15,731)	(21,332)
Acquisition of subsidiary's interests from non-controlling interests	(510,265)	(1,225)
Proceeds from disposal of subsidiary's interests (without losing control)	23,499	344,950
Capital injection from non-controlling interests	22,046	3,021,764
Cash dividends paid to non-controlling interests	-	(60,992)
<b>Net cash provided by financing activities</b>	<u>569,306</u>	<u>6,162,488</u>
<b>Effects of foreign exchange rate changes</b>	<u>(203,684)</u>	<u>147,217</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>447,732</u>	<u>(812,432)</u>
<b>Cash and cash equivalents at beginning of period</b>	<u>8,988,974</u>	<u>11,479,890</u>
<b>Cash and cash equivalents at end of period</b>	<u>\$ 9,436,706</u>	<u>10,667,458</u>