

Press release

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BenQ Corporation To Spin-off its Branded Business

TAIPEI, TAIWAN, April 25, 2007 – BenQ's Board of Directors convened today to approve a plan to spin-off its branded business. The plan is a continuation of BenQ Group's "Dual Core Competency Strategy", which is to focus on the core competencies of brand & services and manufacturing & technology to maximize competitiveness and efficiency. After the spin-off, BenQ Corporation will be renamed Jia Da Corporation (temporary translation) and the spun-off company is scheduled to succeed the name of BenQ Corporation. The spun-off company will be a 100% owned subsidiary of Jia Da Corp. and the change is expected to elevate the operating efficiency and strengthen business competence of the BenQ Group.

The spin-off plan is subject to approval by a meeting of shareholders on June 15, 2007 and the Board of Directors has set the record date of September 1, 2007 for the proposed spin-off.

"Today's announcement is a continuation and fulfillment of our Dual Core Competency Strategy, which allows the BenQ Group to focus on two very specialized fields of ICT industry," said K.Y. Lee, Chairman of BenQ Corporation. "After the discontinuation of funding for the German mobile phone subsidiary, BenQ's branded business structure has become less complicated and the scale of the branded business has become relatively small compared to our integrated manufacturing service business. Therefore, it is a straightforward decision to spin-off the branded business."

BenQ's branded business has achieved sufficient profit and scale to sustain and grow its operation independently within a short five-year span; it operates and markets its diverse product portfolio through a strong global sales and marketing network. After the spin-off, the branded company will be positioned as a fabless company with strong integration of 3C technology in the fields of product design, mobile communications, mechanical & material engineering, and network convergence technologies. All BenQ brand related global sales and marketing departments and related R&D units as well as the Lifestyle Design Center and part of the Advanced Technology Center will be transferred to the spun-off unit. In addition, Mr. K.Y. Lee, Mr. Jerry Wang and Mr. Conway Lee have been appointed as Chairman, Vice Chairman and President of BenQ

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Corporation respectively.

The spin-off would not impair the shareholders' interests. Jia Da Corp. will be positioned as a dedicated 3C integrated manufacturing service provider with cutting edge technology and world-class manufacturing capability. It will further solidify its leadership position by taking advantage of the resources within the BenQ Group while focusing on its expertise in the fields of display, optoelectronic devices, mobile devices and infotainment solutions. Furthermore, Mr. K.Y. Lee and Mr. Sheaffer Lee will continue to serve as Chairman and President of Jia Da Corp. respectively.

■ **About BenQ Corporation**

BenQ Corporation consists of three main business groups — Digital Media Business Group, Integrated Manufacturing Service Business Group and Mobile Communications Business Group. These three business groups encompass a broad range of products and each possesses a focus on providing consumer-oriented solutions designed for the digital lifestyle. 2006 revenues for BenQ Corporation exceeded US\$6.2 billion dollars.

■ **About BenQ Group**

The BenQ Group is currently comprised of ten companies that operate independently while sharing resources and leveraging synergies among them. The BenQ Group companies include BenQ Corporation, AU Optronics Corporation, Darfon Electronics Corporation, Daxon Technology Inc., BenQ Guru Software Co., BenQ Hospital, Darwin Precisions, Ltd, Raydium Semiconductor Corporation, Cando Corporation and Welypower Co., Ltd. 2006 revenues for BenQ Group exceeded US\$16.5 billion dollars.

For more information, please visit our website at BenQ.com.