

BenQ Corporation Q4 2004 Investor Briefing

BenQ: Bringing Enjoyment 'N Quality to Life

February 4, 2005

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Meeting Overview

- Q4 Financial Highlights
- Business Update
- New Product Launches
- Q1 Guidance

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Safe Harbor Notice

We have made forward-looking statements in the presentation. Our forward-looking statements contain information regarding, among other things, our financial conditions, future expansion plans and business strategies. We have based these forward-looking statements on our current expectations and projections about future events. Although we believe that these expectations and projections are reasonable, such forward-looking statements are inherently subject to risks, uncertainties, and assumptions about us.

We undertake no obligation to publicly update or revise any forward-looking statements whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events in the conference might not occur and our actual results could differ materially from those anticipated in these forward-looking statements.

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■ Q4 Financial Highlights

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Q4 2004 Income Statement – QoQ Analysis

Amount : NT\$ Billion Except EPS Data	Q3 2004		Q4 2004		QoQ
					Change%
Net Sales	40.33	100.0%	40.33	100.0%	0%
Cost of Goods Sold	(35.89)	(89.0%)	(36.08)	(89.5%)	1%
Gross Profit	4.44	11.0%	4.25	10.5%	-4%
Operating Expenses	(3.88)	(9.6%)	(3.98)	(9.9%)	3%
Operating Income	0.56	1.4%	0.27	0.7%	-52%
Net Non-op Items	0.78	1.9%	0.07	0.2%	-91%
Income before Tax	1.34	3.3%	0.33	0.8%	-75%
Income Tax	0.03	0.0	(0.13)	(0.3%)	-482%
Net Income	1.37	3.4%	0.20	0.5%	-85%
Fully Diluted EPS (NT\$)	0.59		0.09		-85%

- LCD TV, projector posting strong seasonal performance.
- LCD monitor volume grew 26%; sales flat QoQ.
- Margin affected by ASP erosion of LCD monitors and expenses associated with channel development—exposure contained.

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2004 Performance Comparison

Amount : NT\$ Billion Except EPS Data	2003		2004		YoY
					Change%
Net Sales	120.80	100.0%	164.95	100.0%	37%
Cost of Goods Sold	(104.27)	(86.3%)	(146.06)	(88.5%)	40%
Gross Profit	16.53	13.7%	18.89	11.5%	14%
Operating Expenses	(11.73)	(9.7%)	(15.64)	(9.5%)	33%
Operating Income	4.80	4.0%	3.25	2.0%	-32%
Net Non-op Items	2.92	2.4%	4.80	2.9%	64%
Income before Tax	7.72	6.4%	8.01	4.9%	4%
Income Tax	(0.22)	(0.2%)	(0.40)	(0.2%)	82%
Net Income	7.50	6.2%	7.61	4.6%	1%
Fully Diluted EPS (NT\$)	3.18		3.28		3%

* 2003 EPS Retroactively Adjusted.

- Sales grew 37% YoY; EPS up 3%.
- Lowered ODM margin and LCD ASP impacting gross margin.
- Positioned to drive margin enhancements.

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Q4 2004 Balance Sheet Highlights

Amount: NT \$ Billion

	Q3 2004		Q4 2004		QoQ
					Change %
Cash & Equivalent	5.49	5.7%	9.10	10.4%	66%
Accounts Receivable	25.69	26.6%	21.44	24.6%	-17%
Inventories	21.22	22.0%	15.45	17.7%	-27%
L-T Investments	26.55	27.5%	26.38	30.3%	-1%
Total Assets	96.46	100.0%	87.16	100.0%	-10%
Liabilities	47.26	49.0%	38.08	43.7%	-19%
(Debt)	10.99	11.4%	6.73	7.7%	-39%
Equities	49.19	51.0%	49.07	56.3%	0%

Inventory, receivables declined 27% and 17%, respectively, on proactive working capital management.

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Key Financial Ratios

	Q2 2004	Q3 2004	Q4 2004
A/R Turnover	47 days	50 days	45 days
Inventory Turnover	48 days	47 days	39 days
ROA*	12.9%	5.7%	0.9%
ROE*	24.9%	11.1%	1.6%
Total Debt / Total Assets	6.7%	11.4%	7.7%
* Annualized			
	2002	2003	2004
ROE	21.5%	17.3%	15.5%

- Days inventory down 8 days; receivables down 5 days.
- Management shortening cash conversion cycle generating more cash.

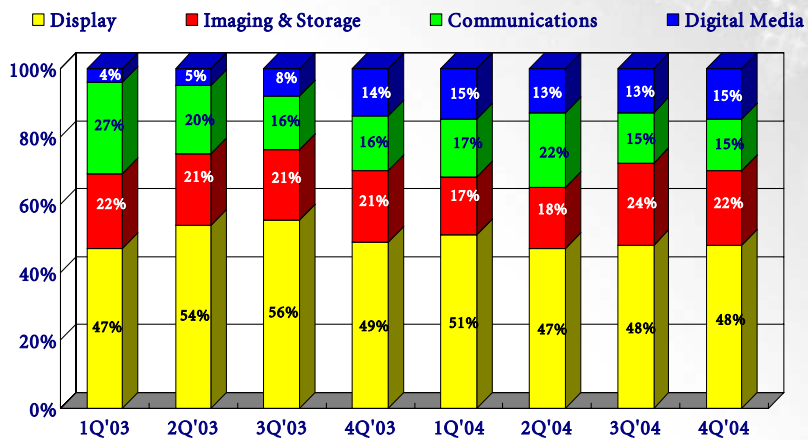
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Business Update



Sales Breakdown by Business

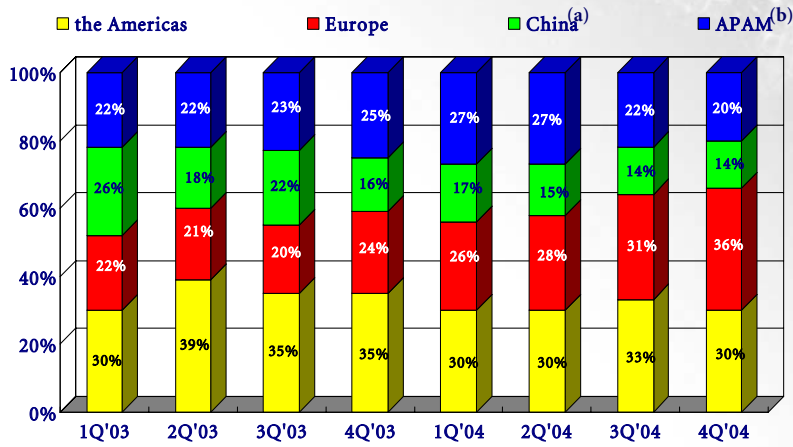


Digital Media products posting strong gains in Q4; LCD TV showing strong momentum.

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Sales Breakdown by Geography



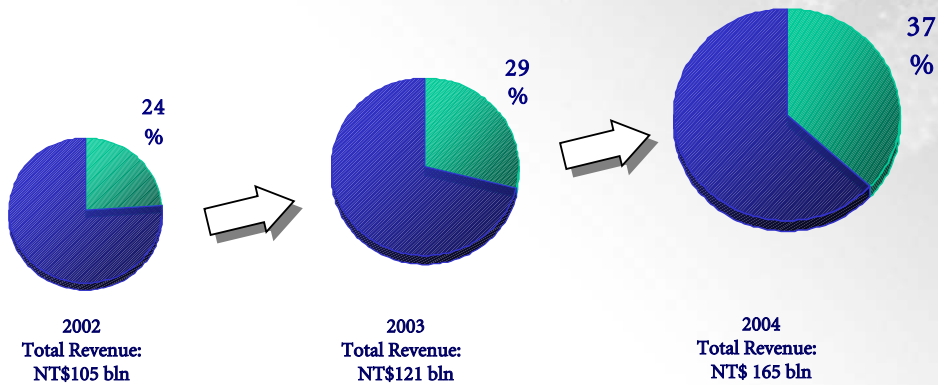
BenQ Europe continuing strong growth.

(a) Including HK
 (b) Asia Pacific, Africa, and Middle East

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Branding Revenues at 37% of Total Sales



- ODM / brand strong dual drivers of growth.
- Product portfolio strengthening across all product lines.

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BenQ Strategy at Work

- 
 • Storage: DVD+-RW attaining global leadership – rebounding strongly
- 
 • Digital Media: Projector an outstanding execution win
- 
 • Network Display: LCD monitor seizing market share gains

Unique strategy for different product/circumstance

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Strengthening business portfolio

	<u>% of Sales</u>	<u>Drivers</u>	<u>BenQ Position</u>
Digital Media	15%	<ul style="list-style-type: none"> ✓ High growth ✓ Technology leadership 	Global Top 5
Imaging/Storage	19%	<ul style="list-style-type: none"> ✓ Philips joint venture highly synergistic ✓ Ready to grow business—IP coverage 	Global Top 4
Handset	17%	<ul style="list-style-type: none"> ✓ Telecom operators ✓ Multimedia-centric phones 	Global Top 7
Display	49%	<ul style="list-style-type: none"> ✓ Industry consolidation ✓ Product design leadership ✓ AUO technology alliance ✓ In-depth technology (Senseye); panel independence 	Global Top 3

Market position improved across all businesses

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New Product Launches

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New Product Launches



Joybook S52

The Joybook S52, S72 and A82 are based on the new Intel Sonoma platform. Aimed at small and medium business professionals, the S52 features a 200-nits high brightness 13" wide screen, SRS surround sound and ergonomic keyboard design with 16:10 wide touch pad design.

Joybook S72

Based on BenQ's award winning Joybook 7000 design platform, with advanced thermal design, remote control with laser pointer, the S72, is a 14" wide-screen with 200 nits of high brightness, and ATI® Mobility RADEON® X600.



Joybook A82

BenQ's largest wide-screen notebook, the A82 features a generous 15.4" wide-screen with 220 nits of high brightness, and ATI® Mobility™ RADEON X600.



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New Product Launches



A520

The BenQ A520 combines elegant styling, a breadth of attractive features and clever design. In particular, a built-in camera allows easy face-to-face communication with co-workers, friends and family.

P30

The BenQ P30 smart phone is the slimmest smart phone, offering phone, PDA, e-mail, web browsing and rich multimedia functions that easily moves from business to social life



DE350



The BenQ DE350 is a combination of high performance efficiency and user-friendly interfaces. It includes up to 510 hours of recording and 400 GB of storage space and can duplicate an hour-long TV program within 4 minutes.

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New Product Launches



Joybee 720

Featuring a 1.89", 65,000 color STN LCD display, the BenQ Joybee 720 provides crisp, clear images. It also provides a thrilling music tour with its 5G capacity and astonishing audio quality with 6 EQ modes. You can load more than 1000 songs or any kind of files within seconds.

DV3250

The 32" BenQ LCD TV provides a 800:1 ultra-high contrast ratio display and a true 16:9: golden ratio that guarantees zero distortion. Technologies such as the Independent Four-Color Adjustment, Intelligent Noise Reduction and DCDi- DCDi video processing also help to provide crisp, clear images.



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New Product Launches



FP785

Elegant as well as functional, the FP785 seamlessly blends beauty with technology. The FP785 frees you from troublesome, unsightly wires with its conveniently designed cord management compartment.

FP71E+

The BenQ FP71E+ is equipped with an ultra-fast 8ms response time - the fastest in the world. It provides amazingly fluid graphics and smooth visual effects, perfect for hardcore PC gamers and avid movie fans.



FP71W

BenQ's 17" wide-screen FP71W LCD monitor is equipped with BenQ Senseye image enhancement technology, excellent specifications and brilliant design. With these specifications, the FP71W is able to display excellent pictures and video quality.

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New Product Launches



DW1620

The BenQ DW1620 DVD 16X rewritable drives provides the fastest recording times and increased storage capacities. It features dual-format capabilities, double-layer (DL) and is equipped to handle DL DVD+R capacities up to 8.5GB.

PE5120

The BenQ PE5120's sleek, clean and compact design complements any home ambience easily. It provides true 16:9 ratio without image cut-offs and distortions. You can enjoy a true-to-life cinema-scope movie with your loved ones at the comfort of your home.



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Q1 Guidance

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2005 Q1 Guidance

- **Communications:** Sales down in 1H 2005 due to customer transition.
- **Display:** LCD monitor shipment flat QoQ with ASP bottoming out in Q1; margin expected to improve as panel price stabilizes.
- **Digital Media:** LCD TV momentum continuing; projectors down QoQ on seasonality and customer rotation; Joybook up slightly.
- **Imaging & Storage:** Sales expected down slightly on ASP erosion.
- **Q1 revenue expected down**—impacted by lowered LCD monitor revenue and changing customer mix on handset.

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Unaudited Core Business Consolidated Balance Sheet

DEC. 30, 2004

UNIT : NT\$K

Assets			Liabilities & stockholders' equity		
Current assets :			Liabilities		
Cash & cash equivalent	2,832,568	3.2%	Short term borrowings	2,677,465	3.0%
Short term investment	5,568,763	6.3%	N/P & A/P	18,152,313	20.7%
Net notes and accounts receivable	17,489,182	19.9%	N/P & A/P to related parties	6,556,142	7.5%
N/R & A/R from related parties	3,156,024	3.6%	Bond payable	1,400	0.0%
Net inventories	15,527,598	17.7%	Accrued exp. & other current liab.	6,912,245	7.9%
Prepaid expenses & other current assets	3,032,742	3.5%	Total current liabilities	<u>34,299,564</u>	39.0%
Total current assets	<u>47,606,877</u>	54.2%	Long term loan	4,287,854	4.9%
Long term investments	26,077,825	29.7%	Bond payable	0	0.0%
Fixed assets :	17,555,393	20.0%	Other liabilities	215,067	0.2%
Less : Accumulated depreciation	(5,968,886)	6.8%	Total liabilities	<u>38,802,485</u>	44.2%
Total fixed assets	<u>11,586,507</u>	13.2%	Stockholder' equities	0	
Other assets	2,609,139	3.0%	Common stock	23,150,141	26.3%
			Treasury stock	(77,336)	-0.1%
			Capital surplus	14,688,280	16.7%
			Legal reserve	3,254,424	3.7%
			Retained earnings	8,144,108	9.3%
			Translation adjustment	-81,754	-0.1%
			Total stockholder' equities	<u>49,077,863</u>	55.8%
Total Assets	<u>\$ 87,880,348</u>	100.0%	Total Liabilities & stockholders' equity	<u>\$ 87,880,348</u>	100.0%

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Unaudited Core Business Consolidated Income Statement

JAN~DEC' 2004

UNIT : NT\$K

Net sales	\$ 164,952,444	100.0%
Cost of goods sold	(146,063,886)	-88.5%
Gross profit	<u>18,888,558</u>	11.5%
Operating expense :	0	
S & M	(9,646,988)	-5.8%
G & A	(2,058,422)	-1.2%
R & D	(3,936,409)	-2.4%
Total Operating expense	<u>(15,641,820)</u>	-9.5%
Operating income (loss)	<u>3,246,738</u>	2.0%
Non-operating in net income(loss)	<u>4,772,640</u>	2.9%
Earning Before income tax	<u>8,019,378</u>	4.9%
Income tax	(400,090)	-0.2%
Minority interest in net income (loss)	0	0.0%
Profit after tax	<u>\$ 7,619,288</u>	4.6%

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Non-consolidated Balance Sheets (Parent Company Only)

December 31, 2004 and 2003
(expressed in thousands of New Taiwan dollars)

Assets	2004 12.31		2003 12.31		Liabilities and Stockholders' Equity	2004 12.31		2003 12.31	
	NT\$	%	NT\$	%		NT\$	%	NT\$	%
Current assets:					Current liabilities:				
Cash and cash equivalents	599,457	1	1,139,573	1	Notes and accounts payable	5,875,657	8	6,963,455	9
Short-term investments	5,431,034	7	3,480,521	5	Payables to related parties	13,339,328	17	16,126,912	21
Notes and accounts receivable	5,463,363	7	8,300,466	11	Bonds payable	1,400	-	201,700	-
Receivables from related parties	20,528,554	27	19,737,093	26	Accrued expenses and other current liabilities	3,576,749	5	4,624,427	7
Other financial assets-current	91,054	-	69,620	-	Income tax payable	251,707	-	61,364	-
Inventories	3,859,895	5	5,464,505	7	Deferred inter-company profit	5,377	-	167,560	-
Prepaid expenses and other current assets	306,704	-	299,150	-	Total current liabilities	<u>23,050,218</u>	<u>30</u>	<u>28,145,418</u>	<u>37</u>
Deferred income tax assets-current	551,148	1	927,183	1					
Total current assets	<u>36,831,209</u>	<u>48</u>	<u>39,418,111</u>	<u>51</u>	Bonds payable	<u>4,287,855</u>	<u>5</u>	<u>2,697,351</u>	<u>3</u>
Long-term equity investments:					Other liabilities	<u>459,104</u>	<u>1</u>	<u>504,492</u>	<u>1</u>
Equity method	30,393,198	40	27,416,958	36	Total liabilities	<u>27,797,177</u>	<u>36</u>	<u>31,347,261</u>	<u>41</u>
Cost or lower-of-cost-or-market method	1,594,978	2	2,429,781	3					
	<u>31,988,176</u>	<u>42</u>	<u>29,846,739</u>	<u>39</u>	Stockholders' equity:				
Property, plant and equipment:					Common stock:				
Land	2,135,472	3	2,379,356	3	Common stock	23,150,141	30	20,838,612	27
Buildings	3,552,100	5	3,958,980	5	Convertible bonds applies for conversion	-	-	13,436	-
Machinery and equipment	2,452,524	3	2,285,664	3		<u>23,150,141</u>	<u>30</u>	<u>20,852,048</u>	<u>27</u>
Furniture and fixtures	139,819	-	131,842	-	Capital surplus:				
Miscellaneous equipment	69,770	-	74,264	-	Additional paid-in capital in excess of the common stock's par value	5,152,848	7	5,238,950	7
Prepayments for plant and equipment	212,610	-	129,274	-	Convertible bonds converted in excess of the common stock's par value	7,106,864	9	6,923,885	9
	8,562,295	11	8,959,380	11	Capital surplus from treasury stock	6,812	-	7,239	-
Less: accumulated depreciation	(2,492,858)	(3)	(2,087,349)	(2)	Capital surplus from long-term equity investments	2,421,756	3	1,408,202	2
Net property, plant and equipment	<u>6,069,437</u>	<u>8</u>	<u>6,872,031</u>	<u>9</u>		<u>14,688,280</u>	<u>19</u>	<u>13,578,276</u>	<u>18</u>
Rental assets	1,013,907	1	457,208	1	Legal reserve	3,254,424	4	2,504,415	3
Refundable deposits	53,083	-	7,368	-	Retained earnings	8,144,108	11	8,931,983	12
Deferred assets	130,810	-	129,718	-	Translation adjustment	(81,754)	-	476,861	-
Deferred income tax assets-noncurrent	788,418	1	78,050	-	Treasury stock	(77,336)	-	(881,619)	(1)
Total other assets	<u>1,986,218</u>	<u>2</u>	<u>672,344</u>	<u>1</u>	Total stockholders' equity	<u>49,077,863</u>	<u>64</u>	<u>45,461,964</u>	<u>59</u>
Total assets	<u>76,875,040</u>	<u>100</u>	<u>76,809,225</u>	<u>100</u>	Total liabilities and stockholders' equity	<u>76,875,040</u>	<u>100</u>	<u>76,809,225</u>	<u>100</u>

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Non-consolidated Statements of Income (Parent Company Only)
For the years ended December 31, 2004 and 2003
(expressed in thousands of New Taiwan dollars)

	2004 12.31		2003 12.31	
	NT\$	%	NT\$	%
Net sales	147,770,156	100	108,698,931	100
Cost of goods sold	<u>(136,071,972)</u>	<u>(92)</u>	<u>(98,448,398)</u>	<u>(91)</u>
	11,698,184	8	10,250,533	9
Change in unrealized intercompany profits	<u>162,182</u>	<u>-</u>	<u>9,648</u>	<u>-</u>
Gross profit	<u>11,860,366</u>	<u>8</u>	<u>10,260,181</u>	<u>9</u>
Operating expenses:				
Selling	(3,433,615)	(2)	(3,086,025)	(3)
Administrative	(957,431)	(1)	(1,092,148)	(1)
Research and development	<u>(3,726,225)</u>	<u>(3)</u>	<u>(2,838,847)</u>	<u>(2)</u>
	<u>(8,117,271)</u>	<u>(6)</u>	<u>(7,017,020)</u>	<u>(6)</u>
Operating income	<u>3,743,095</u>	<u>2</u>	<u>3,243,161</u>	<u>3</u>
Non-operating income:				
Interest income	6,972	-	9,132	-
Investment income recorded under the equity method, net	3,563,548	3	3,722,494	4
Dividend income	169,032	-	208,539	-
Gain on disposal of property, plant and equipment	3,250	-	1,918	-
Gain on disposal of investments, net	382,275	-	252,911	1
Foreign exchange gain, net	278,086	-	210,004	-
Other	<u>200,053</u>	<u>-</u>	<u>178,308</u>	<u>-</u>
	<u>4,603,216</u>	<u>3</u>	<u>4,583,306</u>	<u>4</u>
Non-operating expense:				
Interest expense	(245,046)	-	(178,167)	-
Impairment loss on long-term equity investment	(350,000)	-	-	-
Loss on disposal of Property, plant and equipment	(19,269)	-	(26,054)	-
Other	<u>(3,470)</u>	<u>-</u>	<u>(2,729)</u>	<u>-</u>
	<u>(617,785)</u>	<u>-</u>	<u>(206,950)</u>	<u>-</u>
Net income before income tax expense	7,728,526	5	7,619,517	7
Income tax expense	<u>(109,238)</u>	<u>-</u>	<u>(119,422)</u>	<u>-</u>
Net income	<u><u>7,619,288</u></u>	<u><u>5</u></u>	<u><u>7,500,095</u></u>	<u><u>7</u></u>
Earnings per share:				
Basic earnings per share	<u><u>3.30</u></u>		<u><u>3.24</u></u>	
Diluted earnings per share	<u><u>3.28</u></u>		<u><u>3.18</u></u>	

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Non-Consolidated Statements of Changes in Stockholders' Equity (Parent Company Only)
For the years ended December 31, 2004 and 2003
 (expressed in thousands of New Taiwan dollars)

	Convertible		Capital Surplus	Legal Reserve	Retained Earnings	Translation Adjustment	Treasury Stock	Total
	Common Stock	Bonds Applies for Conversion						
Balance at January 1, 2003	16,810,510	-	13,296,073	1,764,452	8,721,127	766,083	(79,923)	41,278,322
Net income for 2003	-	-	-	-	7,500,095	-	-	7,500,095
Appropriation of earnings:								
Legal reserve	-	-	-	739,963	(739,963)	-	-	-
Stock dividends and employee bonus	3,861,102	-	-	-	(3,861,102)	-	-	-
Cash dividends	-	-	-	-	(2,521,577)	-	-	(2,521,577)
Employees bonus in cash	-	-	-	-	(100,000)	-	-	(100,000)
Remuneration of directors and supervisors	-	-	-	-	(66,597)	-	-	(66,597)
Convertible bonds converted to common stock and capital surplus	167,000	13,436	462,616	-	-	-	-	643,052
Treasury stock acquired by the Company	-	-	-	-	-	-	(802,425)	(802,425)
Change in treasury stock held by subsidiaries	-	-	-	-	-	-	729	729
Cash dividends paid to subsidiaries which hold the Company's shares	-	-	4,257	-	-	-	-	4,257
Adjustments of net equity of investee companies	-	-	(184,670)	-	-	-	-	(184,670)
Change in foreign currency translation adjustment	-	-	-	-	-	(289,222)	-	(289,222)
Balance at December 31, 2003	20,838,612	13,436	13,578,276	2,504,415	8,931,983	476,861	(881,619)	45,461,964
Net income for 2004	-	-	-	-	7,619,288	-	-	7,619,288
Appropriation of earnings:								
Legal reserve	-	-	-	750,009	(750,009)	-	-	-
Stock dividends and employee bonus	2,517,592	-	-	-	(2,517,592)	-	-	-
Cash dividends	-	-	-	-	(4,123,924)	-	-	(4,123,924)
Employees bonus in cash	-	-	-	-	(50,626)	-	-	(50,626)
Remuneration of directors and supervisors	-	-	-	-	(67,501)	-	-	(67,501)
Convertible bonds converted to common stock and capital surplus	138,507	(13,436)	301,337	-	-	-	-	426,408
Treasury stock acquired by the Company	-	-	-	-	-	-	(651,354)	(651,354)
Treasury stock retired	(344,570)	-	(211,698)	-	(897,511)	-	1,453,779	-
Change in treasury stock held by subsidiaries	-	-	-	-	-	-	1,858	1,858
Cash dividends paid to subsidiaries which hold the Company's shares	-	-	6,812	-	-	-	-	6,812
Adjustments of net equity of investee companies	-	-	1,013,553	-	-	-	-	1,013,553
Change in foreign currency translation adjustment	-	-	-	-	-	(558,615)	-	(558,615)
Balance at December 31, 2004	<u>23,150,141</u>	<u>-</u>	<u>14,688,280</u>	<u>3,254,424</u>	<u>8,144,108</u>	<u>(81,754)</u>	<u>(77,336)</u>	<u>49,077,863</u>

BenQ Corporation

Non-consolidated Statements of Cash Flows

For the years ended December 31, 2004 and 2003
(expressed in thousands of New Taiwan dollars)

	2004	2003
	NT\$	NT\$
Cash flows from operating activities:		
Net income	7,619,288	7,500,095
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation	546,988	567,446
Amortization	66,409	96,092
Change in provision for bad debt	(20,184)	1,068
Change in provision for inventory obsolescence	(78,094)	101,025
Investment income on long-term equity investments, net	(3,563,548)	(3,722,494)
Cash dividends received from investees accounted for by equity method	1,015,008	322,528
Gain on disposal of short-term investments	(384,753)	(247,061)
Gain on disposal of long-term investments	2,478	(5,850)
Impairment loss on long-term investment	350,000	-
Loss on disposal of property, plant and equipment	16,019	24,136
Loss on physical count of fixed assets	-	865
Fixed assets transferred to expenses	158	2,400
Unrealized foreign exchange gain on overseas convertible bonds	(22,578)	(30,361)
Reversal for redemption of overseas convertible bonds	(10,509)	(20,037)
Amortization of bond issuance cost	1,067	4,605
Differences in accounts in the accompanying balance sheets:		
Notes and accounts receivable	2,841,037	(2,103,226)
Receivables from related parties	(775,212)	(5,713,522)
Inventories	1,682,705	(2,330,851)
Other financial assets-current	(21,434)	(17,351)
Prepaid expenses and other current assets	(3,418)	(80,483)
Deferred income tax assets	(334,333)	(123,896)
Accounts payable	(1,087,798)	909,661
Payables to related parties	(2,787,584)	3,294,202
Deferred inter-company profits	(162,182)	(9,647)
Accrued expenses and other current liabilities	(1,047,679)	659,521
Income tax payables	190,343	(704,620)
Deferred credit	(19,105)	(19,105)
Net cash provided by (used in) operating activities	<u>4,013,089</u>	<u>(1,644,860)</u>
Cash flows from investing activities:		
Additions to long-term investments	(316,131)	(948,184)
Decrease (increase) in short-term investments	(1,565,760)	6,555,135
Additions to property, plant and equipment	(343,109)	(669,858)
Proceeds from disposal of long-term investments	5,243	36,788
Proceeds from disposal of property, plant and equipment	52,829	17,209
Increase in refundable deposits and deferred assets	(64,178)	(97,334)
Receipt from investees' capital reduction	506,586	114,138
Cash inflow as a result of BMS merge	215,020	-
Net cash provided by (used in) investing activities	<u>(1,509,500)</u>	<u>5,007,894</u>
Cash flows from financing activities:		
Decrease in long-term debt	-	(40,190)
Decrease in short-term borrowings	-	(588,729)
Redemption of convertible bonds	(200,300)	(2,129,611)
Acquisition of treasury stock	(651,354)	(802,425)
Bonuses for directors and supervisors	(67,501)	(66,597)
Issuance of bonds	2,050,000	2,000,000
Payment of cash dividends	(4,123,924)	(2,521,577)
Bonuses for employees	(50,626)	(100,000)
Net cash used in financing activities	<u>(3,043,705)</u>	<u>(4,249,129)</u>
Net decrease in cash and cash equivalents	(540,116)	(886,095)
Cash and cash equivalents at beginning of year	<u>1,139,573</u>	<u>2,025,668</u>
Cash and cash equivalents at end of year	<u><u>599,457</u></u>	<u><u>1,139,573</u></u>
Additional disclosure of cash flow information:		
Cash paid during the periods for:		
Interest, excluding capitalized interest	<u>161,760</u>	<u>190,853</u>
Income taxes	<u>253,228</u>	<u>947,938</u>
Supplemental disclosure of non-cash investing and financial activities:		
Change in capital surplus from long-term equity investment	<u>1,013,553</u>	<u>(184,670)</u>
Change in translation adjustment	<u>(558,615)</u>	<u>(289,222)</u>
Convertible bonds transferred to common stock and capital surplus	<u>426,408</u>	<u>643,052</u>