



Outline

- 2012 Q2 Financial Results
- 2012 Q2 Business Summary

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 might not occur and our actual results could differ materially from those anticipated in these forward-looking statements.

Disclaimer

These financial information in this document are based on unaudited results of the ODM consolidated core business only.

2012 Q2 Financial Results

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Q2 Income Statement: QoQ Analysis

Amount : NT\$ Billion

	2012 Q2		2012 Q1		QoQ
Net Sales	20.63	100.0%	20.71	100.0%	-0.4%
COGS	(19.14)		(19.33)		
Gross Margin	1.49	7.2%	1.38	6.7%	+0.5 ppt
Opex	(1.25)	-6.1%	(1.23)	-5.9%	
Operating Income	0.24	1.2%	0.15	0.7%	+0.5 ppt
Net Non-op Items	(1.18)		0.38		
Income before Tax	(0.94)		0.53		
Net Income	(0.93)	-4.5%	0.51	2.5%	-7.0 ppt
EPS-Diluted (NT\$)	(0.47)		0.26		
Net Worth / Share (NT\$)	10.76		11.27		

* Unaudited results of consolidated core business
 * EPS-diluted was calculated based on total diluted, weighted-averaged outstanding shares (1,964 m shares)
 * Net worth per share was calculated based on total outstanding shares (1,964 m shares)

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Q2 Balance Sheet Highlights

Amount: NT\$ Billion

	2012 Q2		2012 Q1		QoQ
Cash & Equivalent	3.98	6.3%	5.62	8.8%	(1.64)
Accounts Receivable	11.47	18.0%	10.45	16.3%	1.02
Inventory	8.59	13.5%	7.36	11.5%	1.23
L-T Investments	23.81	37.4%	25.11	39.3%	(1.30)
Total Assets	63.64	100.0%	63.95	100.0%	(0.31)
Fin. Debt	21.51	33.8%	21.68	33.9%	(0.17)
Accounts Payable	15.53	24.4%	15.07	23.6%	0.46
Total Liabilities	42.50	66.8%	41.82	65.4%	0.68
Equity	21.14	33.2%	22.13	34.6%	(0.99)

* Unaudited results of consolidated core business
 * Fin. debt included long term and short term financial debts

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Q2 Key Financial Ratios

	2012 Q2	2012 Q1	QoQ
A/R Turnover	48 days	45 days	+3 days
Inventory Turnover	42 days	36 days	+6 days
A/P Turnover	79 days	75 days	+4 days
Cash Conversion Cycle	11 days	6 days	+5 days
ROA	-1.5%	0.8%	-2.3 ppt
ROE	-4.3%	2.3%	-6.6 ppt
Current ratio	103.4%	110.6%	-7.2 ppt
Fin. Debt / Total Assets	33.8%	33.9%	-0.1 ppt

* Unaudited results of consolidated core business
 * ROA and ROE were calculated on a quarterly basis

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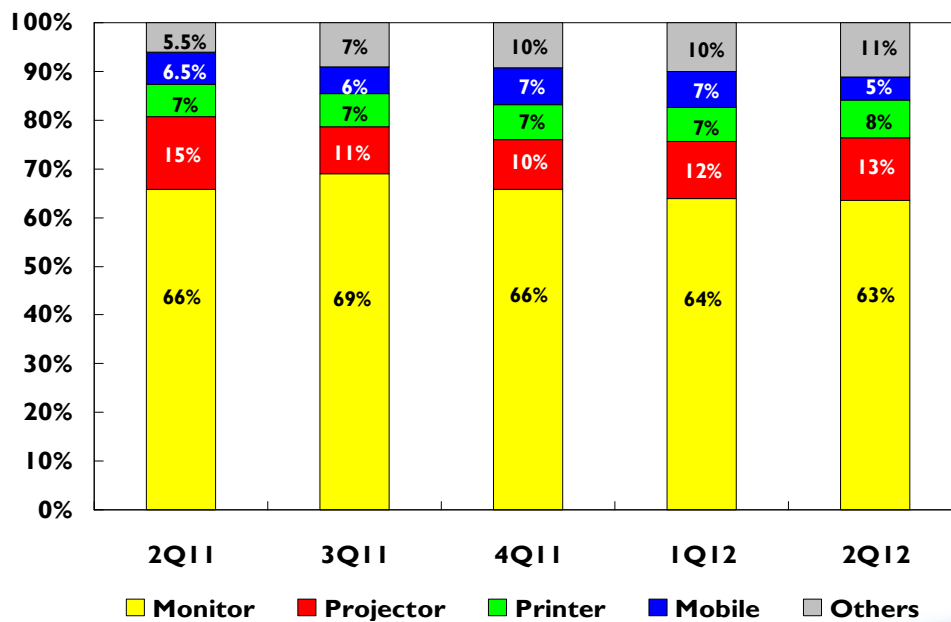
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2012 Q2 Business Summary

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Revenue Breakdown by Product Line



Note : " Others" includes products with a revenue share below 3%, such as professional & industrial displays, automobile electronics, and others

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2012 Q2 Business Summary

- **Monitor :**

- Unit shipment decreased by 3% QoQ

- **Projector :**

- Unit shipment increased by 11% QoQ

- **Color laser printer :**

- Unit shipment remained the same as Q1

- **Mobile devices :**

- Unit shipment decreased by 25% QoQ

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Value-Up Solutions

Qisda Corporation.
Unaudited Core Business Consolidated Balance Sheet
JUN ,30, 2012

UNIT : NT\$K

Assets			Liabilities and stockholders' equity		
Current assets :			Liabilities		
Cash & cash equivalents	3,778,466	5.9%	Short- term borrowings	8,368,350	13.1%
Financial assets at fair value through profit or loss - current	1,946,271	3.1%	Financial liabilities at fair value through profit or loss - current	46,629	0.1%
Notes and accounts receivable,net	5,931,443	9.3%	N/P & A/P	13,634,720	21.4%
N/R & A/R from related parties	5,534,545	8.7%	N/P & A/P to related parties	1,892,183	3.0%
Other receivables, net	837,525	1.3%	Other payable to related parties	8,988	0.0%
Other receivable from related parties	435,449	0.7%	Bonds payable and long-term debt due within one year	785,710	1.2%
Other financial assets - current	197,582	0.3%	Accrued exp. & other current liab.	4,660,839	7.3%
Net inventories	8,594,530	13.5%	Total current liabilities	<u>29,397,420</u>	46.2%
Prepaid expenses and other current assets	310,128	0.5%	Long term loan	12,357,790	19.4%
Deferred income tax assets - current	2,831,376	4.4%	Bonds payable	0	0.0%
Total current assets	<u>30,397,316</u>	47.8%	Other liabilities	747,974	1.2%
Long-term investments	23,813,853	37.4%	Total liabilities	<u>42,503,184</u>	66.8%
Fixed assets :	8,822,763	13.9%	Stockholders' equity		
Less : Accumulated depreciation and	<u>(2,817,974)</u>	4.4%	Common stock	19,667,820	30.9%
Total fixed assets	<u>6,004,789</u>	9.4%	Capital surplus	3,525,646	5.5%
Other assets	3,428,451	5.4%	Legal reserve	0	0.0%
			Unrealized gain or loss on available-for-sale financial assets	(541,106)	-0.9%
			Retained earnings	(2,049,915)	-3.2%
			Cumulative translation adjustment	565,832	0.9%
			Treasury stock	(27,051)	0.0%
			Total stockholders' equity	<u>21,141,225</u>	33.2%
Total Assets	<u>\$ 63,644,408</u>	100.0%	Total Liabilities and stockholders' equity	<u>\$ 63,644,408</u>	100.0%

Qisda Corporation.
Unaudited Core Business Consolidated Income Statement
Jan~Jun' 2012

UNIT : NT\$K

Net sales	\$ 41,340,784	100.0%
Cost of goods sold	(38,467,622)	-93.1%
Gross profit	<u>2,873,162</u>	6.9%
Operating expense :		
S & M	(958,114)	-2.3%
G & A	(354,519)	-0.9%
R & D	(1,171,372)	-2.8%
Total Operating expense	<u>(2,484,005)</u>	-6.0%
Operating income (loss)	389,158	0.9%
Non-operating income (loss)	(801,632)	-1.9%
Earning before income tax	(412,474)	-1.0%
Income tax expense	(5,209)	0.0%
Profit after tax	<u>(\$417,683)</u>	-1.0%

Qisda Corporation
Non-consolidated Balance Sheets
June 30, 2011 and 2012

(Expressed in thousands of New Taiwan dollars and US dollars)

Assets	2011			2012			Liabilities and Stockholders' Equity	2011			2012		
	NT\$	NT\$	US\$	NT\$	NT\$	US\$		NT\$	NT\$	US\$	NT\$	NT\$	US\$
Current assets:							Current liabilities:						
Cash and cash equivalents	523,730	695,791	23,271				Short-term borrowings	-	3,135,850	104,878			
Financial assets at fair value through profit or loss— current	9,696	-	-				Financial liabilities at fair value through profit or loss— current	51,093	46,629	1,559			
Available-for-sale financial assets— current	-	1,946,271	65,093				Accounts payable	1,332,335	2,487,669	83,200			
Accounts receivable	3,417,678	4,478,430	149,780				Accounts payable to related parties	4,289,407	11,056,541	369,784			
Accounts receivable from related parties	6,424,147	8,566,062	286,490				Other payables to related parties	30,627	22,601	756			
Other receivables, net	758,972	642,905	21,502				Accrued expenses	4,077,955	2,462,400	82,354			
Other receivables from related parties	2,570,679	168,026	5,620				Dividend payable	964,108	-	-			
Inventories	1,478,833	2,938,902	98,291				Advance receipts	612,417	249,510	8,345			
Prepaid expenses and other current assets	46,771	67,381	2,253				Bonds payable due within one year	118,607	-	-			
Deferred income tax assets— current	287,794	-	-				Long-term debt due within one year	2,478,000	785,710	26,278			
Other financial assets— current	-	134,550	4,500				Other current liabilities	170,753	157,858	5,280			
Total current assets	15,518,300	19,638,318	656,800				Deferred income tax liabilities – current	-	96,043	3,212			
							Deferred inter-company profits	57,545	29,149	975			
Long-term investments:							Total current liabilities	14,182,847	20,529,960	686,621			
Equity method	32,415,995	30,312,369	1,013,792					16,556,000	11,759,790	393,304			
Available-for-sale financial assets— non-current	3,684,163	189,690	6,344				Long-term debt						
Financial assets carried at cost— non-current	225,050	1,592	53				Other liabilities:						
Total long-term investments	36,325,208	30,503,651	1,020,189				Deposit-in	-	2,529	85			
							Deferred gain on sale-and-leaseback transaction— non-current	554,981	445,805	14,910			
Property, plant and equipment:							Other liabilities	45,363	162,632	5,439			
Land	600,168	602,950	20,166				Total other liabilities	600,344	610,966	20,434			
Buildings	1,426,071	1,434,591	47,980				Total liabilities	31,339,191	32,900,716	1,100,359			
Machinery and equipment	885,855	869,138	29,068										
Furniture and fixtures	120,077	98,361	3,290				Stockholders' equity:						
Miscellaneous equipment	60,531	57,471	1,922				Common stock	19,282,176	19,667,820	657,786			
Prepayments for plant and equipment	11,273	6,653	222				Stock dividends to be distributed	385,644	-	-			
	3,103,975	3,069,164	102,648				Capital surplus	3,614,726	3,525,645	117,915			
Less: accumulated depreciation	(1,603,677)	(1,612,494)	(53,930)				Legal reserve	312,870	-	-			
Net property, plant and equipment	1,500,298	1,456,670	48,718				Special reserve	286,915	-	-			
							Retained earnings (accumulated deficit)	124,762	(2,049,915)	(68,559)			
Intangible assets	49,095	44,062	1,474				Cumulative translation adjustment	(6,266)	565,832	18,924			
							Unrealized loss on available-for-sale financial assets	(479,525)	(541,106)	(18,097)			
Other assets:							Treasury stock	(78,121)	(27,051)	(905)			
Assets for lease	213,283	201,384	6,735				Total stockholders' equity	23,443,181	21,141,225	707,064			
Idle assets	104,324	104,324	3,489				Commitments and contingencies						
Restricted deposit	2,872	754,078	25,220										
Refundable deposits	94,060	58,617	1,960										
Deferred expenses	111,870	39,646	1,326										
Deferred income tax assets – non-current	741,175	1,125,012	37,626										
Prepaid pension cost	121,887	116,179	3,886										
Total other assets	1,389,471	2,399,240	80,242										
Total assets	54,782,372	54,041,941	1,807,423				Total liabilities and stockholders' equity	54,782,372	54,041,941	1,807,423			

(Note: Translation of New Taiwan dollar financial statement amounts into U.S. dollar amounts is included solely for the convenience of the readers, using the spot rate of the Taiwan Bank as of June 30, 2012, of NT\$29.9 to US\$1 uniformly for all the financial statements accounts.)

Qisda Corporation

Non-consolidated Statements of Operations

For the six-month periods ended June 30, 2011 and 2012

(Expressed in thousands of New Taiwan dollars and US dollars, except earnings per share)

	2011	2012	
	NT\$	NT\$	US\$
Net sales	31,912,779	37,653,941	1,259,329
Cost of goods sold	(30,330,008)	(36,212,947)	(1,211,135)
Gross profit	<u>1,582,771</u>	<u>1,440,994</u>	<u>48,194</u>
Change in deferred inter-company profits	31,361	(4,442)	(149)
Realized gross profit	<u>1,614,132</u>	<u>1,436,552</u>	<u>48,045</u>
Operating expenses:			
Selling	(272,163)	(438,095)	(14,652)
Administrative	(335,169)	(157,283)	(5,260)
Research and development	(1,075,003)	(996,034)	(33,312)
	<u>(1,682,335)</u>	<u>(1,591,412)</u>	<u>(53,224)</u>
Operating loss	<u>(68,203)</u>	<u>(154,860)</u>	<u>(5,179)</u>
Non-operating income:			
Interest income	23,637	11,055	370
Dividend income	272,862	154,626	5,171
Foreign currency exchange gain, net	337,678	61,650	2,062
Others	54,363	57,535	1,924
	<u>688,540</u>	<u>284,866</u>	<u>9,527</u>
Non-operating expenses:			
Interest expense	(249,212)	(273,363)	(9,142)
Investment loss recorded under the equity method, net	(1,068,618)	(258,783)	(8,655)
Evaluation loss on financial instruments, net	(378,184)	(8,938)	(299)
Others	(1,329)	(6,605)	(221)
	<u>(1,697,343)</u>	<u>(547,689)</u>	<u>(18,317)</u>
Loss before income tax	<u>(1,077,006)</u>	<u>(417,683)</u>	<u>(13,969)</u>
Income tax benefit	22,608	-	-
Net loss	<u>(1,054,398)</u>	<u>(417,683)</u>	<u>(13,969)</u>
Earnings per share (expressed in New Taiwan dollars and US			
Basic earnings per share	<u>(0.54)</u>	<u>(0.21)</u>	<u>(0.007)</u>

Qisda Corporation
Non-consolidated Statements of Changes in Stockholders' Equity
For the six-month periods ended June 30, 2011 and 2012
(Expressed in thousands of New Taiwan dollars)

	Common Stock	Stock dividends to be Distributed	Capital Surplus	Legal Reserve	Special Reserve	Retained Earnings (Accumulated Deficit)	Cumulative Translation Adjustment	Unrealized Gain (Loss) on Available-for- sale Financial Assets	Treasury Stocks	Total
	NT\$	NT\$	NT\$	NT\$	NT\$	NT\$	NT\$	NT\$	NT\$	NT\$
Balance as of January 1, 2011	19,282,176	-	3,571,497	-	-	3,128,697	101,959	(388,874)	(78,485)	25,616,970
Appropriation of earnings (note):										
Increase in legal reserve	-	-	-	312,870	-	(312,870)	-	-	-	-
Increase in special reserve	-	-	-	-	286,915	(286,915)	-	-	-	-
Distribution of cash dividends	-	-	-	-	-	(964,108)	-	-	-	(964,108)
Distribution of stock dividends	-	385,644	-	-	-	(385,644)	-	-	-	-
Change in treasury stock held by subsidiaries	-	-	-	-	-	-	-	-	364	364
Adjustments of net equity of investee companies	-	-	43,229	-	-	-	-	-	-	43,229
Change in unrealized loss on available-for-sale financial assets	-	-	-	-	-	-	-	(73,233)	-	(73,233)
Change in cumulative translation adjustment	-	-	-	-	-	-	(108,225)	-	-	(108,225)
Change in unrealized loss on available-for-sale financial assets held by equity method investees	-	-	-	-	-	-	-	(17,418)	-	(17,418)
Net loss for the six-month period ended June 30, 2011	-	-	-	-	-	(1,054,398)	-	-	-	(1,054,398)
Balance at June 30, 2011	<u>19,282,176</u>	<u>385,644</u>	<u>3,614,726</u>	<u>312,870</u>	<u>286,915</u>	<u>124,762</u>	<u>(6,266)</u>	<u>(479,525)</u>	<u>(78,121)</u>	<u>23,443,181</u>
Balance as of January 1, 2012	19,667,820	-	3,683,406	312,870	286,915	(2,232,017)	747,146	(906,997)	(27,525)	21,531,618
Appropriation of earnings:										
Decrease in legal reserve to offset accumulated deficit	-	-	-	(312,870)	-	312,870	-	-	-	-
Decrease in special reserve to offset accumulated deficit	-	-	-	-	(286,915)	286,915	-	-	-	-
Change in treasury stock held by subsidiaries	-	-	-	-	-	-	-	-	474	474
Adjustments of net equity of investee companies	-	-	(157,761)	-	-	-	-	-	-	(157,761)
Change in unrealized loss on available-for-sale financial assets	-	-	-	-	-	-	-	331,043	-	331,043
Change in cumulative translation adjustment	-	-	-	-	-	-	(181,314)	-	-	(181,314)
Change in unrealized loss on available-for-sale financial assets held by equity method investees	-	-	-	-	-	-	-	34,848	-	34,848
Net loss for the six-month period ended June 30, 2012	-	-	-	-	-	(417,683)	-	-	-	(417,683)
Balance at June 30, 2012	<u>19,667,820</u>	<u>-</u>	<u>3,525,645</u>	<u>-</u>	<u>-</u>	<u>(2,049,915)</u>	<u>565,832</u>	<u>(541,106)</u>	<u>(27,051)</u>	<u>21,141,225</u>

(Note) Directors' remuneration of NT\$25,290 and employee bonuses of NT\$360,000 for 2010 have been deducted in the 2010 net income.

Qisda Corporation

Non-consolidated Statements of Cash Flows

For the six-month periods ended June 30, 2011 and 2012
(Expressed in thousands of New Taiwan dollars and US dollars)

	2011	2012	
	NT\$	NT\$	US\$
Cash flows from operating activities:			
Net loss	(1,054,398)	(417,683)	(13,969)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:			
Depreciation	51,259	40,039	1,339
Amortization	20,377	15,429	516
Change in allowance for bad debt and sales discount	2,921	-	-
Amortization of bond issuance costs and discount on convertible bond	15,527	24,936	834
Change in provision for inventory obsolescence	2,394	(16,051)	(537)
Investment loss recorded under the equity method, net	1,068,618	258,783	8,655
Loss (gain) on disposal of property, plant and equipment, net	(5)	1,960	65
Amortization of deferred profits on sale-and-leaseback transaction	(54,588)	(54,588)	(1,826)
Differences in accounts in the accompanying balance sheets:			
Financial assets and liabilities at fair value through profit or loss	378,184	8,938	299
Accounts receivable	830,603	(643,023)	(21,506)
Accounts receivable from related parties	(626,832)	(973,539)	(32,560)
Other receivables	349,908	216,015	7,224
Other receivable from related parties	(543,400)	6,597	221
Inventories	278,053	(446,891)	(14,946)
Prepaid expenses and other current assets	367	(5,606)	(187)
Other financial assets	-	(134,550)	(4,500)
Prepaid pension cost	(2,800)	1,193	40
Accounts payable	(497,593)	390,727	13,068
Accounts payable to related parties	1,389,466	1,220,962	40,835
Income tax payable	(132,075)	-	-
Accrued expenses and other current liabilities	(932,158)	(331,272)	(11,079)
Other payable to related parties	(2,025)	(74,254)	(2,483)
Deferred inter-company profits	(31,361)	4,442	148
Net cash provided by (used in) operating activities	510,442	(907,436)	(30,349)
Cash flows from investing activities:			
Additions to property, plant and equipment	(37,275)	(15,205)	(508)
Proceeds from disposal of property, plant and equipment	5	5,010	168
Increase in refundable deposits	(2,872)	(751,049)	(25,119)
Decrease (increase) in deposit-in	225	(58)	(2)
Increase in intangible assets and deferred expenses	(9,591)	(26,051)	(871)
Decrease (increase) in other receivable from related parties	(380,217)	928,617	31,057
Net cash provided by (used in) investing activities	(429,725)	141,264	4,725
Cash flows from financing activities:			
Decrease in short-term borrowings	-	(574,804)	(19,224)
Redemption of bonds	-	(120,900)	(4,044)
Increase in long-term debt	861,750	5,100,000	170,569
Decrease in long-term debt	(884,250)	(7,083,960)	(236,922)
Net cash used in financing activities	(22,500)	(2,679,664)	(89,621)
Net increase (decrease) in cash and cash equivalents	58,217	(3,445,836)	(115,245)
Cash and cash equivalents at beginning of period	465,513	4,141,627	138,516
Cash and cash equivalents at end of period	523,730	695,791	23,271
Supplemental disclosure of cash flow information:			
Cash paid during the period for:			
Interest	247,335	288,622	9,653
Income taxes	109,566	1,733	58
Supplemental disclosure of non-cash investing and financial activities:			
Decrease in cumulative translation adjustment	(108,225)	(181,314)	(6,064)
Adjustments of net equity of investee companies	43,229	(157,761)	(5,276)
Changes in unrealized loss on available-for-sale financial assets	(73,233)	331,043	11,072
Changes in available-for-sale financial assets in investee accounted for under long-term equity investments	(17,418)	34,848	1,165