

Outline

- 2012 Q3 Financial Results
- 2012 Q3 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 Q3 Financial Results

Qisda Confidential © 2012, Qisda Corporation

Qisda

Q3 Income Statement: QoQ Analysis

Amount : NT\$ Billion

	2012 Q3		2012 Q2		QoQ
Net Sales	23.23	100.0%	20.63	100.0%	12.6%
COGS	(21.62)		(19.14)		
Gross Margin	1.61	6.9%	1.49	7.2%	-0.3 ppt
Opex	(1.15)	-5.0%	(1.25)	-6.1%	
Operating Income	0.46	2.0%	0.24	1.2%	+0.8 ppt
Net Non-op Items	(1.05)		(1.18)		
Income before Tax	(0.59)		(0.94)		
Net Income	(1.11)	-4.8%	(0.93)	-4.5%	-0.3 ppt
EPS-Diluted (NT\$)	(0.57)		(0.47)		
Net Worth / Share (NT\$)	10.01		10.75		

* Unaudited results of consolidated core business

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

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

6 Qisda Confidential © 2012, Qisda Corporation

Qisda

Q3 Balance Sheet Highlights

Amount: NT\$ Billion

	2012 Q3		2012 Q2		QoQ
Cash & Equivalent	4.66	7.4%	3.98	6.3%	0.68
Accounts Receivable	12.53	20.0%	11.47	18.0%	1.06
Inventory	8.47	13.5%	8.59	13.5%	(0.12)
L-T Investments	24.01	38.3%	23.81	37.4%	0.20
Total Assets	62.76	100.0%	63.64	100.0%	(0.88)
Fin. Debt	21.00	33.5%	21.51	33.8%	(0.51)
Accounts Payable	17.12	27.3%	15.53	24.4%	1.59
Total Liabilities	43.08	68.6%	42.50	66.8%	0.58
Equity	19.69	31.4%	21.14	33.2%	(1.45)

* Unaudited results of consolidated core business

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

7 Qisda Confidential © 2012, Qisda Corporation

Qisda

Q3 Key Financial Ratios

	2012 Q3	2012 Q2	QoQ
A/R Turnover	48 days	48 days	+0 days
Inventory Turnover	37 days	42 days	-5 days
A/P Turnover	76 days	79 days	-3 days
Cash Conversion Cycle	9 days	11 days	-2 days
ROA	-1.8%	-1.5%	-0.3 ppt
ROE	-5.4%	-4.3%	-1.1 ppt
Current ratio	104.1%	103.4%	+0.7 ppt
Fin. Debt / Total Assets	33.5%	33.8%	-0.3 ppt

* Unaudited results of consolidated core business

* ROA and ROE were calculated on a quarterly basis

8 Qisda Confidential © 2012, Qisda Corporation

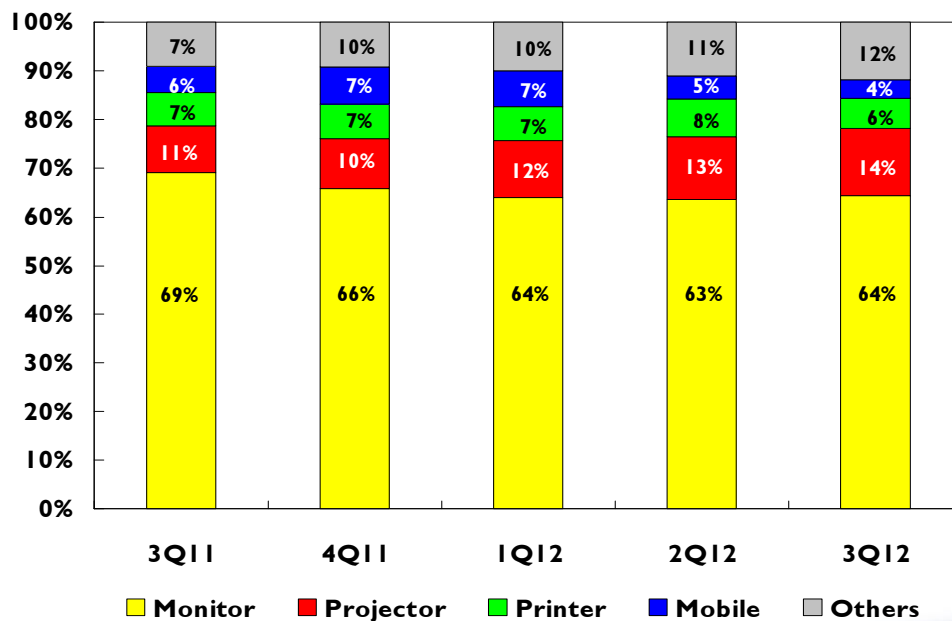
Qisda

2012 Q3 Business Summary

Qisda Confidential © 2012, Qisda Corporation

Qisda

Revenue Breakdown by Product Line



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

10 Qisda Confidential © 2012, Qisda Corporation

Qisda

2012 Q3 Business Summary

- **Monitor :**

- Unit shipment increased by 15% QoQ

- **Projector :**

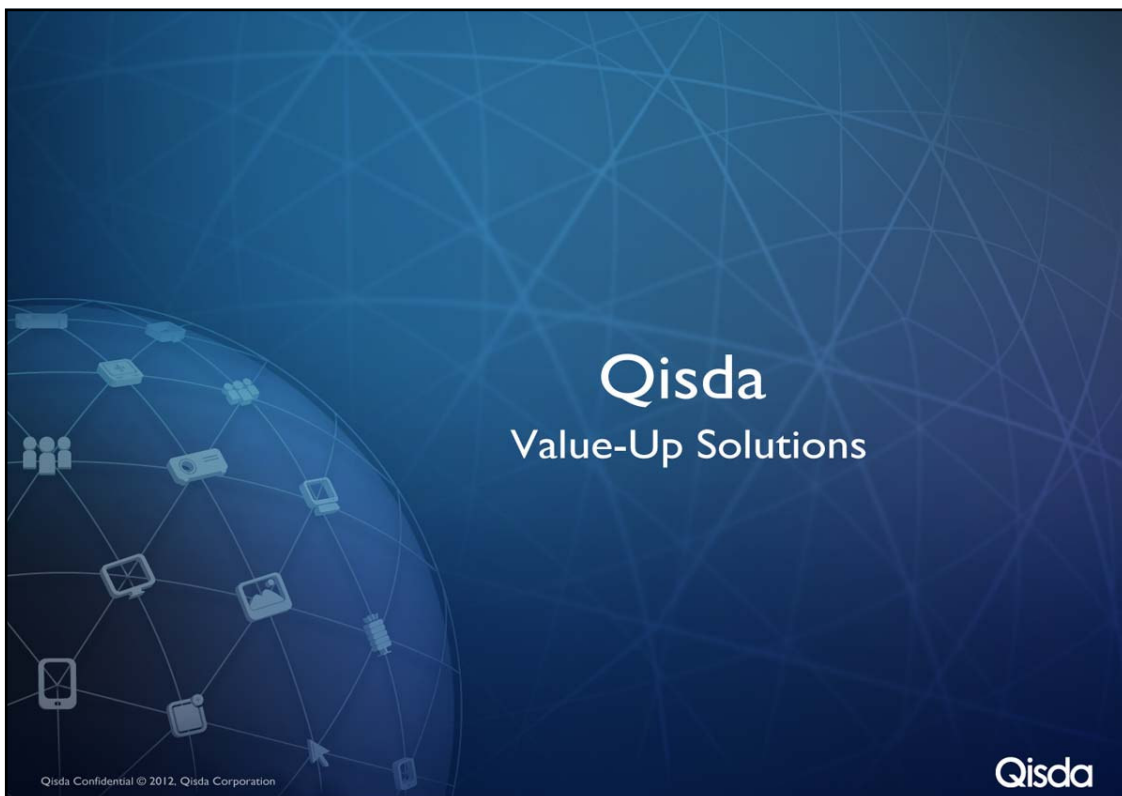
- Unit shipment increased by 22% QoQ

- **Color laser printer :**

- Unit shipment decreased by 4% QoQ

- **Mobile devices :**

- Unit shipment increased by 16% QoQ



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

UNIT : NT\$K

Assets				Liabilities and stockholders' equity			
Current assets :				Liabilities			
Cash & cash equivalents	4,593,765	7.3%		Short- term borrowings	6,104,322	9.7%	
Financial assets at fair value through profit or loss - current	33,640	0.1%		Financial liabilities at fair value through profit or loss - current	38,306	0.1%	
Notes and accounts receivable, net	6,457,856	10.3%		N/P & A/P	15,388,769	24.5%	
N/R & A/R from related parties	6,069,090	9.7%		N/P & A/P to related parties	1,730,445	2.8%	
Other receivables, net	503,967	0.8%		Other payable to related parties	11,380	0.0%	
Other receivable from related parties	323,459	0.5%		Long-term debt due within one year	785,720	1.3%	
Other financial assets - current	61,868	0.1%		Accrued exp. & other current liab.	4,191,206	6.7%	
Net inventories	8,471,679	13.5%		Total current liabilities	28,250,148	45.0%	
Prepaid expenses and other current assets	2,757,011	4.4%		Long term loan	14,111,770	22.5%	
Deferred income tax assets - current	135,341	0.2%		Bonds payable	0	0.0%	
Total current assets	29,407,675	46.9%		Other liabilities	714,836	1.1%	
Long-term investments	24,010,317	38.3%		Total liabilities	43,076,754	68.6%	
Fixed assets :	8,789,037	14.0%		Stockholders' equity			
Less : Accumulated depreciation and allowance for impairment	(2,857,743)	4.6%		Common stock	19,667,820	31.3%	
Total fixed assets	5,931,294	9.5%		Capital surplus	3,532,309	5.6%	
Other assets	3,413,874	5.4%		Legal reserve	0	0.0%	
				Unrealized gain or loss on available-for-sale financial assets	(636,015)	-1.0%	
				Retained earnings	(3,160,670)	-5.0%	
				Cumulative translation adjustment	307,839	0.5%	
				Treasury stock	(24,878)	0.0%	
				Total stockholders' equity	19,686,406	31.4%	
Total Assets	\$ 62,763,160	100.0%		Total Liabilities and stockholders' equity	\$ 62,763,160	100.0%	

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

UNIT : NT\$K

Net sales	\$ 64,569,224	100.0%
Cost of goods sold	(60,084,278)	-93.1%
Gross profit	4,484,946	6.9%
Operating expense :		
S & M	(1,409,278)	-2.2%
G & A	(470,386)	-0.7%
R & D	(1,751,861)	-2.7%
Total Operating expense	(3,631,524)	-5.6%
Operating income (loss)	853,422	1.3%
Non-operating income (loss)	(1,854,802)	-2.9%
Earning before income tax	(1,001,380)	-1.6%
Income tax expense	(527,058)	-0.8%
Profit after tax	(\$1,528,438)	-2.4%

Qisda Corporation
Reviewed Non-consolidated Balance Sheets
September 30, 2011 and 2012
(Expressed in thousands of New Taiwan dollars and US dollars)

Assets	2011 NT\$	2012 NT\$	US\$	Liabilities and Stockholders' Equity	2011 NT\$	2012 NT\$	US\$
Current assets:				Current liabilities:			
Cash and cash equivalents	645,607	932,034	31,765	Short-term borrowings	4,124,262	2,084,468	71,040
Financial assets at fair value through profit or loss — current	53,520	33,640	1,146	Financial liabilities at fair value through profit or loss — current	164,079	38,306	1,306
Available-for-sale financial assets — current	3,306,278	-	-	Accounts payable	2,399,339	2,873,583	97,934
Accounts receivable, net	4,195,607	4,677,019	159,397	Accounts payable to related parties	8,971,426	11,821,231	402,877
Accounts receivable from related parties	8,446,011	9,017,197	307,314	Other payable to related parties	95,223	34,141	1,164
Other receivables, net	729,279	477,707	16,281	Accrued expenses	3,362,466	2,213,270	75,430
Other receivable from related parties	1,060,121	86,470	2,947	Advance receipts	318,830	138,497	4,720
Inventories	2,900,835	3,189,636	108,705	Bonds payable due within one year	119,639	-	-
Prepaid expenses and other current assets	61,346	70,594	2,406	Long-term debt due within one year	1,742,280	785,720	26,778
Deferred income tax assets — current	81,953	-	-	Other current liabilities	202,017	160,890	5,483
Total current assets	<u>21,480,557</u>	<u>18,484,297</u>	<u>629,961</u>	Deferred income tax liabilities-current	-	150,163	5,118
Long-term investments:				Deferred inter-company profits	16,481	16,373	558
Equity method	32,486,815	28,813,312	981,982	Total current liabilities	<u>21,516,042</u>	<u>20,316,642</u>	<u>692,408</u>
Available-for-sale financial assets — non-current	148,806	2,000,499	68,179	Long-term debt	<u>11,793,720</u>	<u>12,644,670</u>	<u>430,941</u>
Financial assets carried at cost — non-current	17,774	-	-	Other liabilities			
Total long-term investments	<u>32,653,395</u>	<u>30,813,811</u>	<u>1,050,161</u>	Deposit-in	2,530	2,530	86
Property, plant and equipment:				Deferred gain on sale-and-leaseback transaction — non-current	527,687	418,511	14,263
Land	600,168	635,066	21,644	Other liabilities	48,188	170,234	5,802
Buildings	1,426,072	1,460,301	49,768	Total other liabilities	<u>578,405</u>	<u>591,275</u>	<u>20,151</u>
Machinery and equipment	881,567	872,682	29,742	Total liabilities	<u>33,888,167</u>	<u>33,552,587</u>	<u>1,143,500</u>
Furniture and fixtures	91,469	98,886	3,369	Stockholders' equity:			
Miscellaneous equipment	57,471	57,471	1,959	Common stock	19,667,820	19,667,820	670,297
Prepayments for plant and equipment	14,036	2,682	91	Capital surplus	3,652,334	3,532,309	120,384
	3,070,783	3,127,088	106,573	Legal reserve	312,870	-	-
Less: accumulated depreciation	(1,573,181)	(1,641,545)	(55,945)	Special reserve	286,915	-	-
Net property, plant and equipment	<u>1,497,602</u>	<u>1,485,543</u>	<u>50,628</u>	Retained earnings (accumulated deficit)	(221,780)	(3,160,670)	(107,718)
Intangible assets	<u>56,340</u>	<u>44,549</u>	<u>1,518</u>	Cumulative translation adjustment	730,908	307,840	10,491
Other assets:				Unrealized loss on available-for-sale financial assets	(965,011)	(636,015)	(21,676)
Assets for lease	211,793	154,569	5,268	Treasury stock	(79,721)	(24,878)	(848)
Idle assets	104,324	104,324	3,555	Total stockholders' equity	<u>23,384,335</u>	<u>19,686,406</u>	<u>670,930</u>
Restricted deposits	3,051	761,718	25,960	Commitments and contingencies			
Refundable deposits	93,834	58,543	1,995	Total liabilities and stockholders' equity	<u>57,272,502</u>	<u>53,238,993</u>	<u>1,814,430</u>
Deferred expenses	104,969	36,935	1,259				
Deferred income tax assets — non-current	947,016	1,179,132	40,186				
Prepaid pension cost	119,621	115,572	3,939				
Total other assets	<u>1,584,608</u>	<u>2,410,793</u>	<u>82,162</u>				
Total assets	<u>57,272,502</u>	<u>53,238,993</u>	<u>1,814,430</u>				

(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 Bank of Taiwan as of September 30, 2012, of

NT\$29.342 to US\$1 uniformly for all the financial statements accounts.)

Qisda Corporation

Reviewed Non-consolidated Statements of Operations

For the nine-month periods ended September 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	49,601,265	58,016,071	1,977,236
Cost of goods sold	(47,193,385)	(56,049,567)	(1,910,216)
Gross profit	<u>2,407,880</u>	<u>1,966,504</u>	<u>67,020</u>
Change in deferred inter-company profits	72,425	8,334	284
Realized gross profit	<u>2,480,305</u>	<u>1,974,838</u>	<u>67,304</u>
Operating expenses:			
Selling	(357,758)	(609,147)	(20,760)
Administrative	(453,996)	(176,969)	(6,031)
Research and development	(1,626,539)	(1,497,975)	(51,052)
	<u>(2,438,293)</u>	<u>(2,284,091)</u>	<u>(77,843)</u>
Operating income(loss)	<u>42,012</u>	<u>(309,253)</u>	<u>(10,539)</u>
Non-operating income:			
Interest income	32,126	14,799	504
Dividend income	272,786	154,412	5,262
Foreign currency exchange gain, net	267,037	90,030	3,068
Evaluation gain on financial instruments, net	-	33,025	1,126
Others	636,052	399,154	13,604
	<u>1,208,001</u>	<u>691,420</u>	<u>23,564</u>
Non-operating expenses:			
Interest expense	(384,146)	(392,878)	(13,390)
Investment loss recorded under the equity method, net	(1,790,931)	(1,511,115)	(51,500)
Evaluation loss on financial instruments, net	(447,346)	-	-
Others	(1,338)	(6,612)	(225)
	<u>(2,623,761)</u>	<u>(1,910,605)</u>	<u>(65,115)</u>
Loss before income tax	<u>(1,373,748)</u>	<u>(1,528,438)</u>	<u>(52,090)</u>
Income tax expense	(27,192)	-	-
Net loss	<u>(1,400,940)</u>	<u>(1,528,438)</u>	<u>(52,090)</u>
Earnings per share (expressed in New Taiwan dollars and US dollars):			
Basic earnings per share	<u>(0.70)</u>	<u>(0.78)</u>	<u>0</u>
Diluted earnings per share	<u>(0.71)</u>	<u>(0.78)</u>	<u>0</u>

Qisda Corporation

Reviewed Non-consolidated Statements of Cash Flows
For the nine-month periods ended September 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	(1,400,940)	(1,528,438)	(52,090)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:			
Depreciation	74,845	58,459	1,992
Amortization	29,059	21,242	724
Change in allowance for bad debt and sales discount	42,100	18,180	620
Amortization of bond discount and bond issuance costs	23,289	27,631	942
Change in provision for inventory obsolescence	1,142	(20,174)	(688)
Investment loss recorded under the equity method, net	1,790,931	1,511,115	51,500
Cash dividends received from investments recorded under the equity method	513,467	144,874	4,937
Loss (gain) on disposal of property, plant and equipment, net	(842)	1,960	67
Other investment gain	-	(1,982)	(68)
Amortization of deferred profits on sale-and-leaseback transaction	(81,882)	(81,882)	(2,791)
Differences in accounts in the accompanying balance sheets:			
Financial assets and liabilities at fair value through profit or loss	447,346	(33,025)	(1,126)
Accounts receivable	13,495	(859,792)	(29,302)
Receivables from related parties	(2,647,233)	(1,424,683)	(48,554)
Other receivables	(133,865)	381,213	12,992
Other receivables from related parties	60,701	(22,146)	(755)
Inventories	(1,142,697)	(693,502)	(23,635)
Prepaid expenses and other current assets	(14,208)	(6,602)	(225)
Prepaid pension	(534)	1,800	61
Accounts payable	569,411	776,641	26,469
Payables to related parties	6,071,485	1,985,652	67,673
Income tax payable	(132,075)	-	-
Accrued expenses and other current liabilities	(1,909,970)	(688,383)	(23,461)
Other payables to related parties	62,571	(62,714)	(2,137)
Deferred inter-company profit	(72,425)	(8,334)	(284)
Net cash provided by (used in) operating activities	2,163,171	(502,890)	(17,139)
Cash flows from investing activities:			
Proceeds from capital return of investees	-	3,574	122
Additions to property, plant and equipment	(56,723)	(15,683)	(534)
Proceeds from disposal of property, plant and equipment	890	5,010	171
Increase in restricted deposits	-	(761,718)	(25,960)
Decrease (increase) in refundable deposits	(2,600)	3,045	104
Increase in deferred expenses	(25,347)	(34,552)	(1,178)
Decrease in other receivables from related parties	461,049	939,777	32,028
Net cash provided by investing activities	377,269	139,453	4,753
Cash flows from financing activities:			
(Decrease) increase in short-term borrowings	4,124,262	(1,626,186)	(55,422)
Redemption of bonds	-	(120,900)	(4,120)
Increase in long-term debt	2,000,000	7,720,390	263,117
Decrease in long-term debt	(7,520,500)	(8,819,460)	(300,574)
Distribution of cash dividends	(964,108)	-	-
Net cash provided by (used in) financing activities	(2,360,346)	(2,846,156)	(96,999)
Net increase (decrease) in cash and cash equivalents	180,094	(3,209,593)	(109,385)
Cash and cash equivalents at beginning of period	465,513	4,141,627	141,150
Cash and cash equivalents at end of period	645,607	932,034	31,765
Supplemental disclosure of cash flow information:			
Cash paid during the period for:			
Interest	377,355	403,792	13,762
Income taxes	109,715	1,776	61
Supplemental disclosure of non-cash investing and financial activities:			
Increase (decrease) in cumulative translation adjustment	628,949	(439,306)	(14,972)
Adjustments of net equity of investee companies	80,837	(151,097)	(5,150)
Changes in unrealized loss on available-for-sale financial assets	(509,588)	195,581	6,666
Changes in available-for-sale financial assets in investee accounted for under long-term equity investments	(66,549)	75,401	2,570