



# Qisda Corporation 2015 Q4 Results

Mar 8, 2015

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## Outline

- Q4 and 2015 DMS Business Financial Results
- 2015 Q4 DMS Business Summary

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

## Disclaimer

**These financial information in this presentation are based on unaudited Taiwan IFRS results of the DMS(Design, Manufacturing and Service) business (formerly named Consolidated core business), and based on audited Taiwan IFRS results of consolidated financials.**

## Q4 and 2015 DMS Business Financial Results

## Q4 DMS Business Income Statement: QoQ Analysis

Amount : NT\$ Billion

### DMS Business: (1)

	2015 Q4		2015 Q3		QoQ
<b>Net Sales</b>	25.50	100.0%	24.96	100.0%	2.2%
COGS	(23.62)		(23.30)		
<b>Gross Margin</b>	1.88	7.4%	1.66	6.7%	+0.7 ppt
Opex	(1.16)	-4.6%	(1.24)	-5.0%	
<b>Operating Income</b>	0.72	2.8%	0.43	1.7%	+1.1 ppt
Net Non-op Items	(0.37)		0.25		

### Consolidated: (2)

<b>Net Income</b>	0.20	0.6%	0.58	1.8%	-1.2 ppt
<b>Net Income, attributable to owners of Company</b>	0.26	0.7%	0.57	1.7%	-1.0 ppt
<b>EPS (NT\$)</b>	0.13		0.29		
<b>Net Worth / Share (NT\$)</b>	13.87		13.65		

(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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## Q4 DMS Business Balance Sheet Highlights

Amount : NT\$ Billion

	2015 Q4		2015 Q3		QoQ
<b>Cash &amp; Equivalent</b>	5.67	7.7%	5.45	7.2%	0.22
<b>Accounts Receivable</b>	22.05	29.9%	23.44	31.2%	(1.39)
<b>Inventory</b>	10.20	13.8%	10.63	14.1%	(0.43)
<b>L-T Investments</b>	24.73	33.6%	25.09	33.4%	(0.36)
<b>Total Assets</b>	73.68	100.0%	75.24	100.0%	(1.56)
<b>Fin. Debt</b>	21.41	29.1%	23.50	31.2%	(2.09)
<b>Accounts Payable</b>	19.79	26.9%	20.03	26.6%	(0.24)
<b>Total Liabilities</b>	46.41	63.0%	48.39	64.3%	(1.99)
<b>Equity</b>	27.27	37.0%	26.85	35.7%	0.43

\* 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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## Q4 DMS Business Key Financial Ratios

	2015 Q4	2015 Q3	QoQ
<b>A/R Turnover</b>	78 days	84 days	-6 days
<b>Inventory Turnover</b>	42 days	42 days	0 days
<b>A/P Turnover</b>	82 days	84 days	-2 days
<b>Cash Conversion Cycle</b>	38 days	42 days	-4 days
<b>ROA</b>	0.3%	0.8%	-0.5 ppt
<b>ROE</b>	0.9%	2.2%	-1.3 ppt
<b>Current ratio</b>	113.2%	106.1%	+7.1 ppt
<b>Fin. Debt / Total Assets</b>	29.1%	31.2%	-2.1 ppt

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

\* ROA and ROE were calculated on a quarterly basis

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## 2015 DMS Business Income Statement: YoY Analysis

Amount : NT\$ Billion

	2015		2014		YoY
<b>DMS Business: (1)</b>					
<b>Net Sales</b>	100.26	100.0%	98.53	100.0%	1.8%
COGS	(93.17)		(91.07)		
<b>Gross Margin</b>	7.09	7.1%	7.45	7.6%	-0.5 ppt
Opex	(5.04)	-5.0%	(5.67)	-5.8%	
<b>Operating Income</b>	2.05	2.0%	1.78	1.8%	+0.2 ppt
Net Non-op Items	0.54		1.42		
<b>Consolidated: (2)</b>					
<b>Net Income</b>	2.25	1.7%	3.33	2.5%	-0.8 ppt
<b>Net Income, attributable to owners of Company</b>	2.17	1.6%	2.97	2.2%	-0.6 ppt
<b>EPS (NT\$)</b>	1.10		1.51		
<b>Net Worth / Share (NT\$)</b>	13.87		13.37		

(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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## 2015 DMS Business Balance Sheet Highlights

Amount : NT\$ Billion

	2015		2014		YoY
	Amount	%	Amount	%	
Cash & Equivalent	5.67	7.7%	4.30	5.6%	1.37
Accounts Receivable	22.05	29.9%	24.58	32.2%	(2.54)
Inventory	10.20	13.8%	10.71	14.0%	(0.51)
L-T Investments	24.73	33.6%	25.03	32.8%	(0.30)
<b>Total Assets</b>	<b>73.68</b>	<b>100.0%</b>	<b>76.37</b>	<b>100.0%</b>	<b>(2.69)</b>
Fin. Debt	21.41	29.1%	22.45	29.4%	(1.05)
Accounts Payable	19.79	26.9%	22.03	28.8%	(2.24)
<b>Total Liabilities</b>	<b>46.41</b>	<b>63.0%</b>	<b>50.09</b>	<b>65.6%</b>	<b>(3.68)</b>
Equity	27.27	37.0%	26.29	34.4%	0.98

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

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

## 2015 DMS Business Key Financial Ratios

	2015	2014	YoY
A/R Turnover	78 days	85 days	-7 days
Inventory Turnover	42 days	43 days	-1 days
A/P Turnover	82 days	88 days	-6 days
Cash Conversion Cycle	38 days	40 days	-2 days
ROA	2.9%	4.3%	-1.4 ppt
ROE	8.1%	12.7%	-4.6 ppt
Current ratio	113.2%	106.9%	+6.4 ppt
Fin. Debt / Total Assets	29.1%	29.4%	-0.3 ppt

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

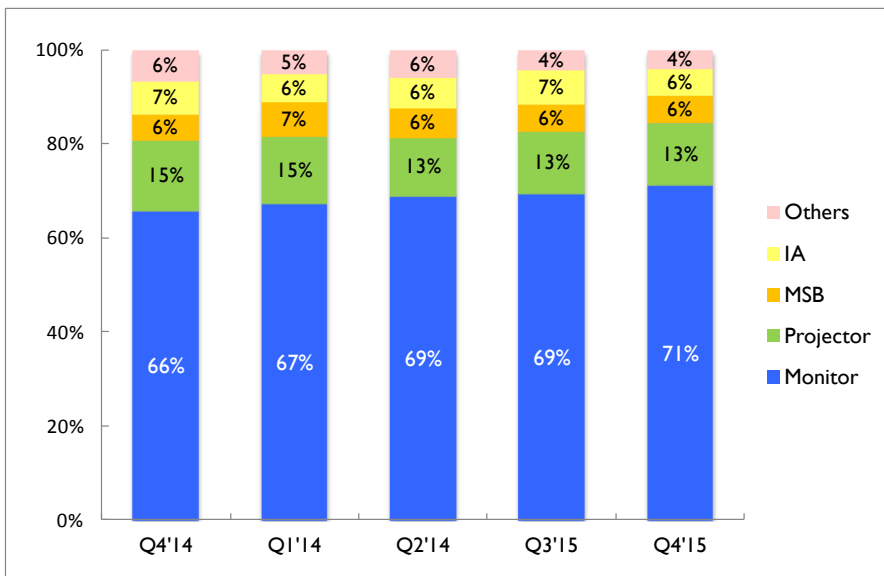
\* ROA and ROE were calculated on an annual basis

# 2015 Q4 DMS Business Summary

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## 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 Q4 DMS Business Summary

- **Monitor :**

- Unit shipment increased by 3.6% QoQ to 4.5M sets

- **Projector :**

- Unit shipment decreased by 3.2% QoQ to 321K sets



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Value-Up Solutions

**Qisda Corporation.**  
**Unaudited DMS Business Consolidated Balance Sheet**  
**Dec ,31, 2015**

UNIT : NT\$K

<b>Assets</b>				<b>Liabilities and stockholders' equity</b>			
<b>Current assets :</b>				<b>Liabilities</b>			
Cash & cash equivalents	\$ 4,951,842	7		Short- term borrowings	\$ 11,083,245	15	
Current available-for-sale financial assets	90,458	0		Current financial liabilities at fair value through profit or loss	-	-	
Notes and accounts receivable,net	14,166,600	19		N/P & A/P	17,905,776	24	
N/R & A/R from related parties	7,881,847	11		N/P & A/P to related parties	1,883,125	3	
Other receivables, net	92,343	0		Other payable	4,002,712	5	
Other receivable from related parties	1,244,184	2		Other payable to related parties	7,891	0	
Net inventories	10,203,260	14		Other current liabilities	437,092	1	
Other current assets	886,026	1		Bonds payable due within one year	-	-	
Other Finaancial assets-current	716,636	1		Long-term debt due within one year	250,000	0	
Non-current assets classified as held for sale	-	-		Current provisions	33,034	0	
<b>Total current assets</b>	<b>40,315,350</b>	<b>55</b>		<b>Total current liabilities</b>	<b>35,602,875</b>	<b>48</b>	
<b>Non current assets</b>							
Non-current available-for-sale financial assets	518,987	1		Long term loan	10,074,250	14	
Investments accounted for using equity method	24,732,394	34		Leased Liabilities-non current	-	-	
Property, plant and equipment	5,933,788	8		Provision Liabilities-non current	212,868	0	
Investment property	-	-		Deferred tax liabilities	44,167	0	
Intangible assets	31,082	0		Other non-current liabilities, others	475,163	1	
Deferred tax assetsent	1,231,336	2		<b>Total non-current liabilities</b>	<b>10,806,448</b>	<b>15</b>	
Other non-current assets	68,814	0		<b>Total Liabilities</b>	<b>46,409,322</b>	<b>63</b>	
Other non-current financial assets	43,481	0		<b>Attributable to owners of company</b>			
Long-term prepaid rents	805,973	1		Common stock	19,667,820	27	
<b>Total Non current assets</b>	<b>33,365,854</b>	<b>45</b>		Capital surplus	2,179,038	3	
				Retained Earnings	3,545,665	5	
				Other equity interest	1,879,359	3	
				Treasury Stock	-	-	
				<b>Total stockholders' equity</b>	<b>27,271,882</b>	<b>37</b>	
<b>Total Assets</b>	<b>\$ 73,681,205</b>	<b>100</b>		<b>Total Liabilities and stockholders' equity</b>	<b>\$ 73,681,205</b>	<b>100</b>	

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

UNIT : NT\$K

<b>Net sales</b>	\$ 100,257,104	100
Cost of goods sold	93,171,029	93
<b>Gross profit</b>	<b>7,086,075</b>	<b>7</b>
S & M	1,774,138	2
G & A	854,584	1
R & D	2,406,808	2
<b>Operating expense</b>	<b>5,035,530</b>	<b>5</b>
<b>Operating income (loss)</b>	<b>2,050,545</b>	<b>2</b>
<b>Total non-operating income (loss)</b>	<b>540,618</b>	<b>1</b>
<b>Profit before tax</b>	<b>2,591,163</b>	<b>3</b>
Income Tax Expense	421,985	0
<b>Profit after tax</b>	<b>2,169,178</b>	<b>2</b>
<b>Other comprehensive income (Profit after tax)</b>	<b>(192,990)</b>	<b>(0)</b>
<b>Comprehensive income</b>	<b>\$ 1,976,189</b>	<b>2</b>



**QISDA CORPORATION AND SUBSIDIARIES**

**Consolidated Balance Sheets**

**December 31, 2015 and 2014**

(Expressed in thousands of New Taiwan dollars)

	2015.12.31	2014.12.31 (Restated)		2015.12.31	2014.12.31 (Restated)
<b>Assets</b>			<b>Liabilities and Equity</b>		
<b>Current assets:</b>			<b>Current liabilities:</b>		
Cash and cash equivalents	\$ 9,036,050	8,988,974	Short-term borrowings	\$ 14,288,274	14,138,414
Financial assets at fair value through profit or loss — current	510,683	477,624	Financial liabilities at fair value through profit or loss — current	72,260	120,653
Available-for-sale financial assets — current	261,343	534,674	Notes and accounts payable	23,053,173	26,167,639
Notes and accounts receivable, net	20,407,299	22,879,253	Accounts payable to related parties	2,279,949	2,672,799
Notes and accounts receivable from related parties	4,655,002	5,337,771	Other payables	8,816,651	9,631,495
Other receivables	148,493	688,988	Other payables to related parties	16,756	26,705
Other receivables from related parties	208,580	182,598	Other current liabilities	671,409	625,377
Inventories	16,386,780	17,772,185	Current portion of long-term debt	2,489,197	3,217,919
Other current assets	1,503,817	1,504,410	Provisions — current	<u>387,719</u>	<u>500,283</u>
Other financial assets — current	2,710,710	1,595,226	<b>Total current liabilities</b>	<u>52,075,388</u>	<u>57,101,284</u>
Non-current assets held for sale	<u>-</u>	<u>54,065</u>	<b>Non-current liabilities:</b>		
<b>Total current assets</b>	<u>55,828,757</u>	<u>60,015,768</u>	Long-term debt	14,071,273	14,943,270
<b>Non-current assets:</b>			Lease obligations payable — non-current	1,182,786	961,605
Available-for-sale financial assets — non-current	856,956	904,407	Provisions — non-current	784,043	800,880
Investments accounted for using equity method	15,858,890	15,581,079	Deferred income tax liabilities	68,402	147,213
Property, plant and equipment	19,545,376	19,892,498	Other non-current liabilities	<u>691,216</u>	<u>531,415</u>
Investment property	2,989,618	3,109,718	<b>Total non-current liabilities</b>	<u>16,797,720</u>	<u>17,384,383</u>
Intangible assets	198,299	208,428	<b>Total liabilities</b>	<u>68,873,108</u>	<u>74,485,667</u>
Deferred income tax assets	1,775,567	1,802,527	<b>Equity attributable to shareholders of the Company :</b>		
Other non-current assets	185,380	171,250	Common stock	19,667,820	19,667,820
Other financial assets — non-current	207,126	973,520	Capital surplus	2,179,038	1,990,292
Long-term prepaid rents	<u>2,797,862</u>	<u>2,860,935</u>	Retained earnings	3,545,665	2,556,556
<b>Total non-current assets</b>	44,415,074	45,504,362	Other equity	<u>1,879,359</u>	<u>2,072,349</u>
			<b>Total equity attributable to shareholders of the Company</b>	<u>27,271,882</u>	<u>26,287,017</u>
			Non-controlling interests	<u>4,098,841</u>	<u>4,747,446</u>
			<b>Total equity</b>	<u>31,370,723</u>	<u>31,034,463</u>
<b>Total assets</b>	<u>\$ 100,243,831</u>	<u>105,520,130</u>	<b>Total liabilities and equity</b>	<u>\$ 100,243,831</u>	<u>105,520,130</u>

**QISDA CORPORATION AND SUBSIDIARIES**  
**Consolidated Statements of Comprehensive Income**  
**For the years ended December 31, 2015 and 2014**

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

	2015	2014
<b>Net sales</b>	\$ 133,102,431	133,510,923
<b>Cost of sales</b>	<u>118,462,432</u>	<u>118,453,278</u>
<b>Gross profit</b>	<u>14,639,999</u>	<u>15,057,645</u>
<b>Operating expenses:</b>		
Selling expenses	5,750,745	5,997,189
Administrative expenses	2,822,983	2,923,642
Research and development expenses	<u>3,468,591</u>	<u>3,208,567</u>
<b>Total operating expenses</b>	<u>12,042,319</u>	<u>12,129,398</u>
<b>Operating income</b>	<u>2,597,680</u>	<u>2,928,247</u>
<b>Non-operating income and loss:</b>		
Other income	444,392	366,026
Other gains and losses – net	132,445	64,467
Finance costs	(786,033)	(876,317)
Share of profit of associates and joint ventures	<u>472,871</u>	<u>1,205,447</u>
<b>Total non-operating income and loss</b>	<u>263,675</u>	<u>759,623</u>
<b>Income before income tax</b>	2,861,355	3,687,870
<b>Income tax expense</b>	<u>615,871</u>	<u>354,731</u>
<b>Net income</b>	<u>2,245,484</u>	<u>3,333,139</u>
<b>Other comprehensive income:</b>		
<b>Items that will not be reclassified to profit or loss:</b>		
Remeasurements of defined benefit plans	(47,671)	(38,232)
Share of other comprehensive income of associates and joint ventures	(17,256)	3,454
Less: Income tax related to items that will not be reclassified to profit or loss	<u>-</u>	<u>-</u>
	<u>(64,927)</u>	<u>(34,778)</u>
<b>Items that may be subsequently reclassified to profit or loss:</b>		
Exchange differences on translation of foreign operations	378,782	910,814
Change in fair value of available-for-sale financial assets	(544,925)	66,939
Share of other comprehensive income of associates and joint ventures	5,990	175,286
Less: Income tax related to items that may be subsequently reclassified to profit or loss	<u>-</u>	<u>-</u>
	<u>(160,153)</u>	<u>1,153,039</u>
<b>Other comprehensive income for the year, net of income tax</b>	<u>(225,080)</u>	<u>1,118,261</u>
<b>Total comprehensive income for the year</b>	<u>\$ 2,020,404</u>	<u>4,451,400</u>
<b>Net income attributable to:</b>		
Shareholders of the Company	\$ 2,169,178	2,971,068
Non-controlling interests	<u>76,306</u>	<u>362,071</u>
	<u>\$ 2,245,484</u>	<u>3,333,139</u>
<b>Total comprehensive income attributable to:</b>		
Shareholders of the Company	\$ 1,976,188	3,890,695
Non-controlling interests	<u>44,216</u>	<u>560,705</u>
	<u>\$ 2,020,404</u>	<u>4,451,400</u>
<b>Earnings per share (in New Taiwan dollars) :</b>		
Basic earnings per share	\$ <u>1.10</u>	<u>1.51</u>
Diluted earnings per share	\$ <u>1.09</u>	<u>1.50</u>

**QISDA CORPORATION AND SUBSIDIARIES**

**Consolidated Statements of Changes in Equity**

**For the years ended December 31, 2015 and 2014**

**(Expressed in thousands of New Taiwan dollars)**

	Attributable to shareholders of the Company													
	Retained earnings					Other equity					Treasury stock	Total equity of the Company	Non-controlling interests	Total equity
	Common stock	Capital Surplus	Legal reserve	Retained earnings (accumulated deficit)	Total	Foreign currency translation differences	Unrealized gain (loss) from available-for-sale financial assets	Remeasurements of defined benefit plans	Total					
<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)	-	-	-	-	
Restated balance at January 1, 2014	19,667,820	-	-	(347,337)	(347,337)	832,371	499,151	(99,926)	1,231,596	(213)	20,551,866	2,872,842	23,424,708	
Changes in equity of associates and joint ventures accounted for using equity method	-	-	-	(66,279)	(66,279)	-	-	-	-	-	(66,279)	-	(66,279)	
Change in treasury stock held by subsidiaries	-	-	-	(896)	(896)	-	-	-	-	213	(683)	-	(683)	
Distribution of cash dividend by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(61,039)	(61,039)	
Difference between consideration and carrying amount arising from acquisition or disposal of shares in subsidiaries	-	259,674	-	-	-	-	-	-	-	-	259,674	11,146	270,820	
Capital injection from non-controlling interests	-	1,730,618	-	-	-	(78,874)	-	-	(78,874)	-	1,651,744	1,378,658	3,030,402	
Stock option compensation cost of subsidiary	-	-	-	-	-	-	-	-	-	-	-	9,513	9,513	
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(24,379)	(24,379)	
Net income in 2014	-	-	-	2,971,068	2,971,068	-	-	-	-	-	2,971,068	362,071	3,333,139	
Other comprehensive income in 2014	-	-	-	-	-	900,839	48,528	(29,740)	919,627	-	919,627	198,634	1,118,261	
Total comprehensive income in 2014	-	-	-	2,971,068	2,971,068	900,839	48,528	(29,740)	919,627	-	3,890,695	560,705	4,451,400	
<b>Restated balance at December 31, 2014</b>	19,667,820	1,990,292	-	2,556,556	2,556,556	1,654,336	547,679	(129,666)	2,072,349	-	26,287,017	4,747,446	31,034,463	
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	-	116,004	-	-	-	-	-	-	-	-	116,004	-	116,004	
Stock option compensation cost of subsidiary	-	-	-	-	-	-	-	-	-	-	-	9,937	9,937	
Distribution of cash dividend by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(247,319)	(247,319)	
Difference between consideration and carrying amount arising from acquisition or disposal of shares in subsidiaries	-	(54,935)	-	-	-	-	-	-	-	-	(54,935)	(666,948)	(721,883)	
Capital injection from non-controlling interests	-	127,677	-	-	-	-	-	-	-	-	127,677	218,911	346,588	
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(7,402)	(7,402)	
Net income in 2015	-	-	-	2,169,178	2,169,178	-	-	-	-	-	2,169,178	76,306	2,245,484	
Other comprehensive income in 2015	-	-	-	-	-	442,935	(575,201)	(60,724)	(192,990)	-	(192,990)	(32,090)	(225,080)	
Total comprehensive income in 2015	-	-	-	2,169,178	2,169,178	442,935	(575,201)	(60,724)	(192,990)	-	1,976,188	44,216	2,020,404	
<b>Balance at December 31, 2015</b>	\$ 19,667,820	2,179,038	242,689	3,302,976	3,545,665	2,097,271	(27,522)	(190,390)	1,879,359	-	27,271,882	4,098,841	31,370,723	

**QISDA CORPORATION AND SUBSIDIARIES**

**Consolidated Statements of Cash Flows**

**For the years ended December 31, 2015 and 2014**

**(Expressed in thousands of New Taiwan dollars)**

	<b>2015</b>	<b>2014</b>
<b>Cash flows from operating activities:</b>		
<b>Income before income tax</b>	\$ <u>2,861,355</u>	<u>3,687,870</u>
<b>Adjustments for:</b>		
Depreciation	1,992,523	1,996,479
Amortization	219,458	182,313
Reversal of bad debt expense	(9,763)	(1,214)
Interest expense	786,033	876,317
Interest income	(166,504)	(274,554)
Dividend income	(42,223)	(40,275)
Share-based compensation cost	9,937	9,513
Share of profit of associates and joint ventures	(472,871)	(1,205,447)
Loss (gain) on disposal of property, plant and equipment, net	(17,591)	11,234
Gain on disposal of non-current assets held for sale	(112,180)	-
Gain on disposal of investments	(268,976)	(161,497)
Impairment loss on financial assets	<u>148,922</u>	<u>-</u>
Total non-cash profit and loss	<u>2,066,765</u>	<u>1,392,869</u>
<b>Changes in operating assets and liabilities:</b>		
Financial assets and liabilities at fair value through profit or loss	(80,688)	(186,638)
Notes and accounts receivable	2,550,769	(10,220,585)
Notes and accounts receivable from related parties	682,769	(2,528,589)
Other receivables	545,916	653,678
Other receivables from related parties	(654)	1,333
Inventories	1,387,798	(3,100,406)
Other current assets	4,486	736,130
Other non-current assets	<u>(7,620)</u>	<u>(46,578)</u>
Net changes in operating assets	<u>5,082,776</u>	<u>(14,691,655)</u>
Notes and accounts payable	(3,118,271)	3,528,751
Accounts payable to related parties	(392,850)	788,218
Other payables to related parties	(9,949)	(35,666)
Provisions	(129,774)	50,356
Other current liabilities	(482,752)	929,459
Other non-current liabilities	<u>112,228</u>	<u>112,747</u>
Net changes in operating liabilities	<u>(4,021,368)</u>	<u>5,373,865</u>
Total changes in operating assets and liabilities	<u>1,061,408</u>	<u>(9,317,790)</u>
Cash provided by (used in) operations	5,989,528	(4,237,051)
Interest received	161,083	257,964
Dividend received	445,293	192,497
Interest paid	(723,669)	(845,445)
Income taxes paid	<u>(664,369)</u>	<u>(624,459)</u>
<b>Net cash provided by (used in) operating activities</b>	<u>5,207,866</u>	<u>(5,256,494)</u>

(Continued)

**QISDA CORPORATION AND SUBSIDIARIES**

**Consolidated Statements of Cash Flows**

**For the years ended December 31, 2015 and 2014**

**(Expressed in thousands of New Taiwan dollars)**

	<b>2015</b>	<b>2014</b>
<b>Cash flows from investing activities:</b>		
Purchase of available-for-sale financial assets	(612,664)	(373,162)
Proceeds from sale of available-for-sale financial assets	412,882	44,986
Purchase of investments accounted for using equity method	(115,120)	(325,072)
Proceeds from disposal of investments accounted for using equity method	-	2,460
Proceeds from disposal of non-current assets held for sale	145,092	-
Additions to property, plant and equipment	(1,594,545)	(1,413,320)
Proceeds from disposal of property, plant and equipment	60,930	25,596
Increase in loan receivables from related parties	(25,328)	(30,861)
Additions to intangible assets	(110,319)	(148,564)
Decrease in long-term prepaid rents	24,660	51,807
Additions to investment property	(99,826)	(437,940)
Increases in other financial assets	(347,265)	(22,508)
Acquisition of a subsidiary, net of cash acquired	(75,538)	-
Net cash outflow from deconsolidation of subsidiaries	<u>-</u>	<u>(35,855)</u>
<b>Net cash used in investing activities</b>	<b><u>(2,337,041)</u></b>	<b><u>(2,662,433)</u></b>
<b>Cash flows from financing activities:</b>		
Increase in short-term borrowings	8,387,454	13,957,514
Decrease in short-term borrowings	(8,239,190)	(9,681,056)
Increase in long-term debt	8,455,300	10,634,750
Repayment of long-term debt	(10,074,280)	(13,211,069)
Decrease in lease obligations payable	(19,934)	(46,360)
Cash dividends distributed to shareholders	(1,180,069)	-
Acquisition of subsidiary's interests from non-controlling interests	(902,950)	(69,410)
Proceeds from disposal of subsidiary's interests (without losing control)	181,067	344,950
Capital injection from non-controlling interests	346,588	3,030,402
Cash dividends paid to non-controlling interests	<u>(247,319)</u>	<u>(61,039)</u>
<b>Net cash provided by (used in) financing activities</b>	<b><u>(3,293,333)</u></b>	<b><u>4,898,682</u></b>
<b>Effects of foreign exchange rate changes</b>	<b><u>469,584</u></b>	<b><u>529,329</u></b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>47,076</b>	<b>(2,490,916)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b><u>8,988,974</u></b>	<b><u>11,479,890</u></b>
<b>Cash and cash equivalents at end of year</b>	<b>\$ <u><u>9,036,050</u></u></b>	<b><u><u>8,988,974</u></u></b>