

Qisda Corporation  
Reviewed Non-consolidated Balance Sheets  
September 30, 2008 and 2009  
(expressed in thousands of New Taiwan dollars and US dollars)

Assets	2008.9.30			2009.9.30			Liabilities and Stockholders' Equity	2008.9.30			2009.9.30		
	NT\$	NT\$	US\$	NT\$	NT\$	US\$		NT\$	NT\$	US\$	NT\$	NT\$	US\$
<b>Current assets:</b>							<b>Current liabilities:</b>						
Cash and cash equivalents	\$ 1,191,525	\$ 1,494,041	46,399				Short-term borrowings	\$ 2,995,009	\$ 193,200	6,000			
Financial assets at fair value through profit or loss – current	11,397	81,027	2,516				Financial liabilities at fair value through profit or loss – current	596,782	37,141	1,153			
Notes and accounts receivable, net	8,008,858	4,770,789	148,161				Notes and accounts payable	2,436,799	2,619,042	81,337			
Accounts receivables from related parties	8,418,728	7,332,886	227,729				Accounts payable to related parties	3,133,595	5,808,084	180,375			
Other receivables, net	1,210,863	1,300,100	40,376				Other payable to related parties	123,098	51,279	1,593			
Other receivable from related parties	303,721	1,887,061	58,604				Accrued expenses	4,160,933	4,144,910	128,724			
Other financial assets – current	522,779	-	-				Advance receipts	361,422	734,257	22,803			
Inventories	1,880,759	1,131,956	35,154				Bonds payable due within one year	3,490,066	1,600,000	49,689			
Prepaid expenses and other current assets	111,597	44,053	1,368				Long-term debt due within one year	2,400,000	7,600,000	236,025			
Deferred income tax assets – current	50,622	359,671	11,170				Deferred inter-company profits	152,006	364,489	11,320			
<b>Total current assets</b>	<b>21,710,849</b>	<b>18,401,584</b>	<b>571,477</b>				Other current liabilities	130,842	2,530,773	78,595			
							<b>Total current liabilities</b>	<b>19,980,552</b>	<b>25,683,175</b>	<b>797,614</b>			
<b>Long-term investments:</b>							<b>Long-term liabilities:</b>						
Equity method	38,227,139	33,756,648	1,048,343				Financial liabilities at fair value through profit or loss – non current	-	18,631	579			
Available-for-sale financial assets – noncurrent	2,223,691	3,266,470	101,443				Bonds payable	1,600,000	111,384	3,459			
Financial assets carried at cost – noncurrent	170,594	75,824	2,355				Long-term debt	16,600,000	9,000,000	279,503			
	<b>40,621,424</b>	<b>37,098,942</b>	<b>1,152,141</b>				<b>Total long-term liabilities</b>	<b>18,200,000</b>	<b>9,130,015</b>	<b>283,541</b>			
<b>Property, plant and equipment:</b>							<b>Other liabilities</b>						
Land	652,697	631,717	19,619				Deferred profits on sale-leaseback transaction	855,216	746,039	23,169			
Buildings	1,480,374	1,448,114	44,972				Other liabilities	153,629	605,418	18,802			
Machinery and equipment	891,464	875,393	27,186				<b>Total other liabilities</b>	<b>1,008,845</b>	<b>1,351,457</b>	<b>41,971</b>			
Furniture and fixtures	115,858	115,892	3,599				<b>Total liabilities</b>	<b>39,189,397</b>	<b>36,164,647</b>	<b>1,123,126</b>			
Miscellaneous equipment	51,533	46,900	1,457										
Prepayments for plant and equipment	35,467	-	-										
	<b>3,227,393</b>	<b>3,118,016</b>	<b>96,833</b>				<b>Stockholders' equity:</b>						
Less: accumulated depreciation	(1,385,789)	(1,460,722)	(45,364)				Common stock	19,282,176	19,282,176	598,825			
<b>Net property, plant and equipment</b>	<b>1,841,604</b>	<b>1,657,294</b>	<b>51,469</b>				Capital surplus:						
<b>Intangible assets</b>	<b>127,512</b>	<b>42,089</b>	<b>1,307</b>				Additional paid-in-capital in excess of the common stock's par value	2,738,580	1,196,757	37,166			
<b>Other assets:</b>							Capital surplus from long-term equity investments	4,048,334	4,080,473	126,723			
Assets for lease	126,401	178,427	5,541					<b>6,786,914</b>	<b>5,277,230</b>	<b>163,889</b>			
Idle Assets	104,324	104,324	3,240				Legal reserve	344,528	-	-			
Refundable deposits	95,228	92,380	2,869				Special reserve	175,173	-	-			
Deferred expenses	34,062	106,083	3,295				Retained earnings (accumulated deficit)	1,545,798	(1,745,741)	(54,216)			
Deferred income tax assets – noncurrent	1,155,160	818,579	25,422				Cumulative translation adjustment	820,999	802,235	24,914			
Prepaid pension cost	97,032	105,113	3,264				Unrealized loss on available-for-sale financial assets	(2,154,347)	(1,094,456)	(33,989)			
<b>Total other assets</b>	<b>1,612,207</b>	<b>1,404,906</b>	<b>43,631</b>				Treasury stock	(77,042)	(81,276)	(2,524)			
							<b>Total stockholders' equity</b>	<b>26,724,199</b>	<b>22,440,168</b>	<b>696,899</b>			
							<b>Commitments and contingencies</b>						
<b>Total assets</b>	<b>\$ 65,913,596</b>	<b>\$ 58,604,815</b>	<b>1,820,025</b>				<b>Total liabilities and stockholders' equity</b>	<b>\$ 65,913,596</b>	<b>\$ 58,604,815</b>	<b>1,820,025</b>			

(Note: Translation of the September 30, 2009, 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 on September 30, 2009, of NT\$32.20 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, 2008 and 2009  
(expressed in thousands of New Taiwan dollars and US dollars, except earnings per share)

	2008 Q3		2009 Q3		US\$	
	NT\$	NT\$	NT\$	NT\$		
Net sales	\$ 60,504,245	\$ 37,696,496			1,170,699	
Cost of goods sold	(59,119,962)	(34,817,758)			(1,081,297)	
Gross profit	1,384,283	2,878,738			89,402	
Change in unrealized inter-company profits	180,959	(61,390)			(1,907)	
Realized gross profit	1,565,242	2,817,348			87,495	
Operating expenses:						
Selling	(951,724)	(630,123)			(19,569)	
Administrative	(491,578)	(385,900)			(11,984)	
Research and development	(1,804,712)	(1,306,381)			(40,571)	
	(3,248,014)	(2,322,404)			(72,124)	
Operating income (loss)	(1,682,772)	494,944			15,371	
Non-operating income:						
Interest income	21,100	22,924			712	
Investment income recorded under the equity method, net	2,607,019	-			-	
Dividend income	189,770	117,125			3,637	
Evaluation gain on financial instruments, net	240,128	43,811			1,361	
Gain on disposal of property, plant and equipment	2,828	2,269			70	
Gain on disposal of investments, net	647	23			1	
Others	137,649	107,769			3,347	
	3,199,141	293,921			9,128	
Non-operating expenses:						
Interest expense	(860,830)	(426,941)			(13,259)	
Foreign currency exchange loss, net	(179,684)	(149,910)			(4,656)	
Investment loss recorded under the equity method, net	-	(1,820,510)			(56,538)	
Other investment loss	-	(82,684)			(2,568)	
Others	(18,394)	(27,027)			(839)	
	(1,058,908)	(2,507,072)			(77,860)	
Income (loss) before income tax	457,461	(1,718,207)			(53,361)	
Income tax expense	-	(27,534)			(855)	
Net income (loss)	\$457,461	(\$1,745,741)			(\$54,216)	
Earnings per share (expressed in New Taiwan dollars and US dollars):	Before tax	After tax	Before tax	After tax	Before tax	After tax
Basic earnings per share	0.25	0.25	(0.89)	(0.91)	(0.028)	(0.028)
Diluted earnings per share	0.25	0.25				

Qisda Corporation

**Reviewed Non-consolidated Statements of Cash Flows**  
**For the nine-month periods ended September 30, 2008 and 2009**  
**(expressed in thousands of New Taiwan dollars and US Dollars)**

	2008 Q3			2009 Q3		
	NT\$	NT\$	US\$	NT\$	NT\$	US\$
<b>Cash flows from operating activities:</b>						
Net income (loss)	457,461	(1,745,741)	(\$54,216)			
Adjustments to reconcile net income (loss) to net cash provided by operating activities:						
Depreciation	132,431	105,213	3,267			
Amortization	272,543	50,160	1,558			
Amortization of discount on convertible bond	66,076	7,690	239			
Change in provision for bad debt	(19,034)	(1,691)	(53)			
Change in provision for inventory obsolescence	(405)	(27,559)	(856)			
Investment income (loss) recorded under the equity method, net	(2,607,019)	1,820,510	56,538			
Cash dividends received from investments recorded under the equity method	1,974,757	404,261	12,555			
Loss on redeemable of bonds	-	10,511	327			
Impairment loss on financial assets carried at cost	-	82,684	2,568			
Gain on disposal of investments recorded under the equity method	(647)	(23)	(1)			
Gain on disposal of property, plant and equipment, net	(2,828)	(2,269)	(70)			
Amortization of deferred profits on sale-leaseback transaction	(81,882)	(81,883)	(2,543)			
Amortization of bond issuance costs	10,131	15,349	477			
Differences in accounts in the accompanying balance sheets:						
Financial assets and liabilities at fair value through profit or loss	(240,128)	(43,811)	(1,361)			
Notes and accounts receivable	(2,095,643)	(199,844)	(6,206)			
Receivables from related parties	8,907,913	(338,325)	(10,507)			
Other receivables	758,973	(96,931)	(3,010)			
Inventories	1,854,792	329,609	10,236			
Other financial assets – current	(19,728)	492,900	15,307			
Prepaid expenses and other current assets	8,484	65,031	2,020			
Deferred income tax assets	-	27,534	855			
Prepaid pension	(10,942)	(4,546)	(141)			
Notes and accounts payable	(305,834)	1,471,420	45,696			
Payables to related parties	(4,698,084)	4,472,871	138,909			
Deferred inter-company profits	(180,959)	61,390	1,907			
Accrued expenses and other current liabilities	(865,769)	3,259,707	101,233			
Other liabilities	(14,329)	(7,483)	(232)			
<b>Net cash provided by operating activities</b>	<b>3,300,330</b>	<b>10,126,734</b>	<b>314,496</b>			
<b>Cash flows from investing activities:</b>						
Increase in receivables from related parties	-	(1,616,760)	(50,210)			
Addition to long-term equity investments	(307,270)	(34,100)	(1,059)			
Additions to property, plant and equipment	(82,802)	(57,767)	(1,794)			
Proceeds from disposal of idle assets	-	742	23			
Proceeds from disposal of property, plant and equipment	34,067	40,774	1,266			
Increase in refundable deposits and deferred assets	(71,034)	(107,345)	(3,334)			
Proceeds from investees' capital reduction	6,773	623	19			
<b>Net cash used in investing activities</b>	<b>(420,266)</b>	<b>(1,773,833)</b>	<b>(55,089)</b>			
<b>Cash flows from financing activities:</b>						
Decrease in short-term borrowings	(5,699,715)	(8,760,340)	(272,060)			
Decrease in long-term debt	-	(2,400,000)	(74,534)			
Redemption of bonds	(2,200,000)	(3,622,400)	(112,497)			
Issuance of common stock for cash	5,000,000	-	-			
<b>Net cash used in financing activities</b>	<b>(2,899,715)</b>	<b>(14,782,740)</b>	<b>(459,091)</b>			
<b>Net decrease in cash and cash equivalents</b>	<b>(19,651)</b>	<b>(6,429,839)</b>	<b>(199,684)</b>			
<b>Cash and cash equivalents at beginning of period</b>	<b>1,211,176</b>	<b>7,923,880</b>	<b>246,083</b>			
<b>Cash and cash equivalents at end of period</b>	<b>\$1,191,525</b>	<b>1,494,041</b>	<b>46,399</b>			
<b>Supplemental disclosure of cash flow information:</b>						
Cash paid during the period for:						
Interest	\$916,776	471,520	14,643			
Income taxes	\$5,554	1,811	56			
<b>Supplemental disclosure of non-cash investing and financial activities:</b>						
Changes in unrealized loss on available-for-sale financial assets	(\$1,036,446)	1,645,753	51,110			
Adjustments of net equity of investee companies	(\$1,317,750)	37,659	1,170			
Increase (decrease) in cumulative translation adjustment	\$133,229	(250,081)	(7,766)			