

Outline

- Q3 DMS Business Financial Results
- Q3 DMS 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 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.

Q3 DMS Business Financial Results

Q3 DMS Business Income Statement: QoQ Analysis

Amount : NT\$ Billion

	2013 Q3		2013 Q2		QoQ
DMS Business: (1)					
Net Sales	21.33	100.0%	20.28	100.0%	5.2%
COGS	(19.82)		(18.90)		
Gross Margin	1.51	7.1%	1.38	6.8%	+0.3 ppt
Opex	(1.20)	-5.6%	(1.17)	-5.8%	
Operating Income	0.31	1.5%	0.22	1.1%	+0.4 ppt
Net Non-op Items	0.14		0.44		
Consolidated: (2)					
Net Income	0.54	2.5%	0.80	3.9%	-1.4 ppt
Net Income, attributable to owners of Company	0.34	1.6%	0.57	2.8%	-1.2 ppt
EPS (NT\$)	0.17		0.29		
Net Worth / Share (NT\$)	9.91		9.82		

(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)

Q3 DMS Business Balance Sheet Highlights

Amount: NT\$ Billion

	2013 Q3		2013 Q2		QoQ
Cash & Equivalent	5.40	9.1%	7.76	12.5%	(2.36)
Accounts Receivable	13.84	23.3%	14.39	23.2%	(0.55)
Inventory	8.27	13.9%	7.71	12.4%	0.56
L-T Investments	20.51	34.6%	20.56	33.1%	(0.05)
Total Assets	59.36	100.0%	62.12	100.0%	(2.76)
Fin. Debt	19.06	32.1%	22.33	35.9%	(3.27)
Accounts Payable	16.23	27.3%	15.84	25.5%	0.39
Total Liabilities	39.87	67.2%	42.80	68.9%	(2.93)
Equity	19.49	32.8%	19.32	31.1%	0.17

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

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

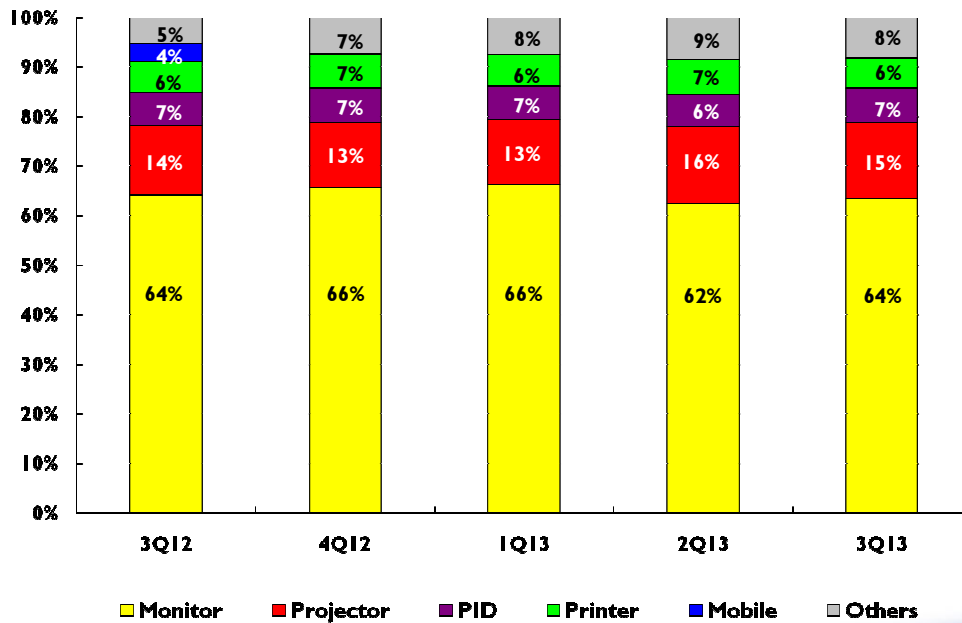
Q3 DMS Business Key Financial Ratios

	2013 Q3	2013 Q2	QoQ
A/R Turnover	58 days	64 days	-6 days
Inventory Turnover	39 days	39 days	+0 days
A/P Turnover	79 days	81 days	-2 days
Cash Conversion Cycle	18	22	-4 days
ROA	0.6%	0.9%	-0.3 ppt
ROE	1.8%	3.0%	-1.2 ppt
Current ratio	93.4%	107.8%	-14.4 ppt
Fin. Debt / Total Assets	32.1%	35.9%	-3.8 ppt

* Based on unaudited Taiwan IFRS results of the DMS(Design, Manufacturing and Service) business
 * ROA and ROE were calculated on a quarterly basis

2013 Q3 DMS Business Summary

DMS Business Revenue Breakdown by Product Line



* Professional and industrial display, herein referred to as "PID".

** "Others" includes automobile electronics and other products; 4Q12, 1Q13, 2Q13 & 3Q13 includes Mobiles.

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2013 Q3 DMS Business Summary

● Monitor :

- Unit shipment increased by 7.6% QoQ to 3.88M sets

● Projector :

- Unit shipment decreased by 4.3% QoQ to 301K sets

● Color laser printer :

- Unit shipment decreased by 12% QoQ

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Qisda Corporation.
Unaudited DMS Business Consolidated Balance Sheet
Sep 30, 2013

UNIT : NT\$K

Assets			Liabilities and stockholders' equity		
Current assets :			Liabilities		
Cash & cash equivalents	\$ 5,339,560	9	Short- term borrowings	\$ 10,685,787	18
Financial assets at fair value through profit or loss - current	1,290	0	Short-term notes and bills payable	-	-
Current available-for-sale financial assets	-	-	Current financial liabilities at fair value through profit or loss	26,536	0
Notes and accounts receivable, net	8,245,382	14	N/P & A/P	15,177,194	26
N/R & A/R from related parties	5,599,472	9	N/P & A/P to related parties	1,052,087	2
Other receivables, net	547,193	1	Other payable	3,443,125	6
Other receivable from related parties	310,790	1	Other payable to related parties	14,131	0
Net inventories	8,265,663	14	Other current liabilities	439,515	1
Other current assets	1,509,673	3	Bonds payable due within one year	-	-
Other Financial assets-current	62,097	0	Long-term debt due within one year	1,066,445	2
Non-current assets classified as held for sale	2,570	0	Current provisions	81,650	0
Total current assets	<u>29,883,689</u>	<u>50</u>	Total current liabilities	<u>31,986,472</u>	<u>54</u>
Non current assets			Long term loan		
Non-current available-for-sale financial assets	219,459	0		7,302,973	12
Investments accounted for using equity method	20,506,582	35	Leased Liabilities-non current	-	-
Property, plant and equipment	5,871,683	10	Provision Liabilities-non current	217,225	0
Investment property	-	-	Deferred tax liabilities	38,064	0
Intangible assets	42,802	0	Other non-current liabilities, others	322,270	1
Deferred tax assetsent	1,163,859	2	Total non-current liabilities	<u>7,880,532</u>	<u>13</u>
Other non-current assets	55,611	0	Total Liabilities	<u>39,867,004</u>	<u>67</u>
Other non-current financial assets	845,175	1	Attributable to owners of company		
Long-term prepaid rents	766,598	1	Common stock	19,667,820	33
Total Non current assets	<u>29,471,769</u>	<u>50</u>	Capital surplus	(0)	(0)
			Retained Earnings	(1,109,762)	(2)
			Other equity interest	930,610	2
			Treasury Stock	(213)	(0)
			Total stockholders' equity	<u>19,488,455</u>	<u>33</u>
Total Assets	<u>\$ 59,355,459</u>	<u>100</u>	Total Liabilities and stockholders' equity	<u>\$ 59,355,459</u>	<u>100</u>

Qisda Corporation.
Unaudited DMS Business Consolidated Income Statement
Jan-Sep' 2013

UNIT : NT\$K

Net sales	\$ 59,679,128	100
Cost of goods sold	55,640,502	93
Gross profit	<u>4,038,626</u>	<u>7</u>
S & M	1,285,887	2
G & A	549,261	1
R & D	1,643,525	3
Operating expense	<u>3,478,673</u>	<u>6</u>
Operating income (loss)	<u>559,953</u>	<u>1</u>
Total non-operating income (loss)	<u>(229,836)</u>	<u>(0)</u>
Profit before tax	330,117	1
Income Tax Expense	261,078	0
Profit after tax	<u>69,039</u>	<u>0</u>
Other comprehensive income (Profit after tax)	<u>1,254,205</u>	<u>2</u>
Comprehensive income	<u>\$ 1,323,244</u>	<u>2</u>

Qisda Corporation and Subsidiaries
Consolidated Balance Sheets
September 30, 2013 and December 31, September 30, January 1, 2012
(Expressed in thousands of New Taiwan dollars and US dollars)

	2013.9.30		2012.12.31	2012.9.30	2012.1.1		2013.9.30		2012.12.31	2012.9.30	2012.1.1
	NT\$	US\$	NT\$	NT\$	NT\$		NT\$	US\$	NT\$	NT\$	NT\$
Assets						Liabilities and Stockholders' Equity					
Current assets :						Current liabilities :					
Cash and cash equivalents	8,644,573	292,343	8,905,101	10,187,888	12,349,895	Short-term borrowings	14,819,022	501,151	8,137,566	10,466,019	7,474,224
Financial assets at fair value through profit or loss—current	172,390	5,830	321,441	375,034	488,388	Financial liabilities at fair value through profit or loss—current	80,893	2,736	205,165	110,949	58,123
Available-for-sale financial assets—current	-	-	-	-	1,681,960	Notes and accounts payable	21,338,748	721,635	19,709,152	20,813,182	19,840,502
Notes and accounts receivable, net	13,617,678	460,523	10,303,134	11,251,240	9,953,389	Accounts payable to related parties	1,810,172	61,216	1,635,555	2,386,217	2,115,369
Notes and accounts receivable from related parties	3,219,820	108,888	2,063,434	2,562,682	1,701,450	Other payables	8,093,345	273,701	8,083,198	7,374,813	8,410,009
Other receivables	1,089,698	36,852	1,329,124	1,075,649	1,725,872	Other payables to related parties	37,807	1,279	29,393	23,174	9,184
Other receivables from related parties	163,291	5,522	110,444	136,786	38,500	Other current liabilities	682,579	23,083	594,380	875,075	1,478,422
Inventories	14,780,564	499,850	15,015,038	15,747,861	14,749,530	Current portion of bonds payable	-	-	-	-	120,671
Other current assets	2,236,333	75,628	2,783,668	3,604,857	3,248,908	Current portion of long-term debt	2,018,023	68,246	2,140,863	1,846,412	2,632,195
Other financial assets—current	1,683,161	56,921	1,092,903	2,348,579	1,439,722	Provisions—current	509,699	17,237	483,416	458,291	481,095
Non-current assets held for sale	-	-	-	-	301,372	Total current liabilities	49,390,288	1,670,284	41,018,688	44,354,132	42,619,794
Total current assets	45,607,508	1,542,357	41,924,287	47,290,576	47,678,986	Non-current liabilities :					
						Long-term debt, excluding current portion	14,691,063	496,823	22,435,632	23,130,119	23,118,048
Non-current assets :						Lease obligations payable—non-current	1,003,818	33,947	970,846	973,436	968,358
Available-for-sale financial assets—non-current	1,001,237	33,860	2,518,580	2,707,968	593,258	Provisions—non-current	761,387	25,749	864,709	988,870	1,159,378
Investments accounted for using equity method	13,809,888	466,997	13,842,756	14,824,255	18,222,668	Deferred income tax liabilities	109,680	3,709	94,546	309,121	240,208
Property, plant and equipment	19,931,847	674,056	20,248,325	19,739,536	20,541,502	Other non-current liabilities	424,744	14,364	355,869	309,136	499,815
Investment property	2,295,716	77,637	1,560,698	1,479,422	757,298	Total non-current liabilities	16,990,692	574,592	24,721,602	25,710,682	25,985,807
Intangible assets	192,564	6,512	162,001	203,692	199,609	Total liabilities	66,380,980	2,244,876	65,740,290	70,064,814	68,605,601
Deferred income tax assets	1,548,429	52,365	1,588,145	1,683,981	1,579,529	Equity attributable to owners of parent :					
Other non-current assets	237,593	8,035	310,059	294,044	285,673	Common stock	19,667,820	665,127	19,667,820	19,667,820	19,667,820
Other financial assets—non current	986,103	33,348	999,581	994,726	205,555	Retained earnings (accumulated deficit)	(1,109,762)	(37,530)	(977,063)	275,951	2,077,907
Long-term prepaid rents	2,833,364	95,819	2,942,126	2,768,680	3,034,239	Other equity interest	930,610	31,471	(323,595)	(59,384)	(17,201)
Total non-current assets	42,835,941	1,448,629	44,172,271	44,696,304	45,419,331	Treasury stock	(213)	(7)	(6,880)	(24,878)	(27,525)
						Total equity attributable to owners of parent	19,488,455	659,062	18,360,282	19,859,509	21,701,001
Total assets	\$ 88,443,449	2,990,986	86,096,558	91,986,880	93,098,317	Non-controlling interests	2,574,014	87,048	1,995,986	2,062,557	2,791,715
						Total equity	22,062,469	746,110	20,356,268	21,922,066	24,492,716
						Total liabilities and equity	\$ 88,443,449	2,990,986	86,096,558	91,986,880	93,098,317

(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 Taiwan Bank as of September 30, 2013, of NT\$29.57 to US\$1 uniformly for all the financial statements accounts.)

Qisda Corporation and Subsidiaries
Consolidated Statements of Comprehensive Income
For the three-month and nine-month periods ended September 30, 2013 and 2012
(Expressed in thousands of New Taiwan dollars and US dollars, except earnings per share)

	2013.7.1~9.30		2012.7.1~9.30		2013.1.1~9.30		2012.1.1~9.30	
	NT\$	US\$	NT\$	NT\$	US\$	NT\$	NT\$	
Net sales	\$ 30,040,245	1,015,902	30,539,445	86,864,897	2,937,602	87,594,358		
Cost of sales	26,813,606	906,784	27,840,451	77,901,841	2,634,489	79,899,483		
Gross profit	3,226,639	109,118	2,698,994	8,963,056	303,113	7,694,875		
Operating expenses:								
Selling expenses	1,410,091	47,687	1,368,377	4,160,339	140,695	3,981,111		
Administrative expenses	650,668	22,004	575,077	1,916,449	64,810	1,910,566		
Research and development expenses	750,915	25,394	767,543	2,186,758	73,952	2,293,149		
	2,811,674	95,085	2,710,997	8,263,546	279,457	8,184,826		
Operating income (loss)	414,965	14,033	(12,003)	699,510	23,656	(489,951)		
Non-operating income and expenses:								
Other income	71,314	2,412	103,541	308,396	10,429	879,987		
Other non-operating income and loss – net	254,195	8,596	613,752	407,817	13,792	1,981,619		
Finance costs	(255,156)	(8,629)	(262,973)	(781,261)	(26,421)	(816,978)		
Share of loss of associates and joint ventures accounted for using equity method, net	167,529	5,666	(1,237,908)	230,603	7,799	(3,173,424)		
Total non-operating income and loss	237,882	8,045	(783,588)	165,555	5,599	(1,128,796)		
Income (loss) before income tax	652,847	22,078	(795,591)	865,065	29,255	(1,618,747)		
Income tax expense	117,072	3,959	555,785	306,300	10,359	605,241		
Net income (loss)	535,775	18,119	(1,351,376)	558,765	18,896	(2,223,988)		
Other comprehensive income (loss) :								
Foreign currency translation differences	(246,628)	(8,341)	(242,840)	233,526	7,898	(370,964)		
Change in fair value of available-for-sale financial assets	97,905	3,311	(165,377)	917,797	31,038	412,124		
Share of profit (loss) of associates and joint ventures accounted for using equity method	(22,714)	(768)	(52,948)	170,179	5,755	(132,155)		
Less: Income tax on other comprehensive income	-	-	-	-	-	-		
Other comprehensive income (loss) for the period, net of income tax	(171,437)	(5,798)	(461,165)	1,321,502	44,691	(90,995)		
Total comprehensive income (loss) for the period	\$ 364,338	12,321	(1,812,541)	1,880,267	63,587	(2,314,983)		
Net income (loss), attributable to:								
Shareholders of the Company	\$ 340,941	11,530	(1,136,719)	69,039	2,335	(1,650,859)		
Non-controlling interests	194,834	6,589	(214,657)	489,726	16,561	(573,129)		
	\$ 535,775	18,119	(1,351,376)	558,765	18,896	(2,223,988)		
Total comprehensive income (loss) attributable to:								
Shareholders of the Company	\$ 170,031	5,750	(1,561,406)	1,323,244	44,750	(1,693,042)		
Non-controlling interests	194,307	6,571	(251,135)	557,023	18,837	(621,941)		
	\$ 364,338	12,321	(1,812,541)	1,880,267	63,587	(2,314,983)		
Earnings per common share (expressed in New Taiwan dollars and US dollars):								
Basic earnings per common share	0.17	0.01	(0.58)	(0.04)	0.00	(0.84)		

Qisda Corporation and Subsidiaries
Consolidated Statements of Changes in Equity
For the nine-month periods ended September 30, 2013 and 2012
(Expressed in thousands of New Taiwan dollars and US dollars)

	Attributable to owners of parent											
	Retained earnings				Other equity interest			Treasury stock	Total equity attributable to owners of parent	Non-controlling interests	Total equity	
	Common Stock	Legal reserve	Special reserve	Retained earnings (accumulated deficit)	Total	Foreign currency translation differences	Change in fair value of available-for-sale financial assets					Total
NT\$	NT\$	NT\$	NT\$	NT\$	NT\$	NT\$	NT\$	NT\$	NT\$	NT\$	NT\$	
Balance at January 1, 2012	\$ 19,667,820	312,870	286,915	1,478,122	2,077,907	776,258	(793,459)	(17,201)	(27,525)	21,701,001	2,791,715	24,492,716
Decrease in legal reserve to offset accumulated deficit	-	(312,870)	-	312,870	-	-	-	-	-	-	-	-
Decrease in special reserve to offset accumulated deficit method	-	-	(286,915)	286,915	-	-	-	-	-	-	-	-
Net loss	-	-	-	(151,097)	(151,097)	-	-	-	-	(151,097)	-	(151,097)
Other comprehensive income (loss) for the period	-	-	-	-	-	(450,698)	408,515	(42,183)	-	(42,183)	(48,812)	(90,995)
Total comprehensive income (loss) for the period	-	-	-	(1,650,859)	(1,650,859)	(450,698)	408,515	(42,183)	-	(1,693,042)	(621,941)	(2,314,983)
Change in treasury stock held by subsidiaries	-	-	-	-	-	-	-	-	2,647	2,647	-	2,647
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(107,217)	(107,217)
Balance at September 30, 2012	\$ 19,667,820	-	-	275,951	275,951	325,560	(384,944)	(59,384)	(24,878)	19,859,509	2,062,557	21,922,066
Balance at January 1, 2013	\$ 19,667,820	-	-	(977,063)	(977,063)	267,043	(590,638)	(323,595)	(6,880)	18,360,282	1,995,986	20,356,268
Changes in equity of associates and joint ventures accounted for using equity method	-	-	-	(201,738)	(201,738)	-	-	-	-	(201,738)	-	(201,738)
Net income	-	-	-	69,039	69,039	-	-	-	-	69,039	489,726	558,765
Other comprehensive income for the period	-	-	-	-	-	338,569	915,636	1,254,205	-	1,254,205	67,297	1,321,502
Total comprehensive income for the period	-	-	-	69,039	69,039	338,569	915,636	1,254,205	-	1,323,244	557,023	1,880,267
Change in treasury stock held by subsidiaries	-	-	-	-	-	-	-	-	6,667	6,667	-	6,667
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	21,005	21,005
Balance at September 30, 2013	\$ 19,667,820	-	-	(1,109,762)	(1,109,762)	605,612	324,998	930,610	(213)	19,488,455	2,574,014	22,062,469

Qisda Corporation and Subsidiaries
Consolidated Statements of Cash Flows
For the nine-month periods ended September 30, 2013 and 2012
(Expressed in thousands of New Taiwan dollars and US Dollars)

	2013.1.1~9.30		2012.1.1~9.30
	NT\$	US\$	NT\$
Cash flows from operating activities:			
Income (loss) before income tax	\$ 865,065	29,255	(1,618,747)
Adjustments for:			
Depreciation	1,737,260	58,751	1,630,107
Amortization	154,845	5,237	173,022
Interest expense	781,261	26,421	816,978
Interest income	(148,533)	(5,023)	(220,832)
Dividend income	(16,635)	(563)	(157,341)
Share of profit (loss) of associates and joint ventures accounted for using equity method, net	(230,603)	(7,799)	3,173,424
Loss (gain) on disposal of property, plant and equipment, net	2,725	92	(1,393,521)
Gain on disposal of land use right	(53,777)	(1,819)	-
Other Investment gain	-	-	(1,982)
Loss (gain) on disposal of investments	241,816	8,178	(4,602)
Impairment loss on financial assets	-	-	26,408
Impairment loss on non-financial assets	-	-	1,923
Total adjustments	2,468,359	83,475	4,043,584
Changes in operating assets and liabilities:			
Financial assets (liabilities) at fair value through profit or loss	30,697	1,038	168,812
Notes and accounts receivable, net	(3,273,416)	(110,701)	(1,297,851)
Notes and accounts receivable from related parties	(1,156,386)	(39,107)	(861,232)
Other receivables	269,658	9,119	629,457
Other receivables from related parties	5,578	189	18,140
Inventories	250,774	8,481	(998,331)
Other current assets	550,017	18,601	(329,823)
Other non-current assets	(137,040)	(4,634)	-
Net changes in operating assets	(3,460,118)	(117,014)	(2,670,828)
Notes and accounts payable	1,590,984	53,804	972,680
Accounts payable to related parties	174,617	5,905	270,848
Other payables to related parties	8,414	284	13,990
Provisions	(77,039)	(2,605)	(193,312)
Other current liabilities	327,913	11,089	(2,316,717)
Other non-current liabilities	62,475	2,113	(214,699)
Net changes in operating liabilities	2,087,364	70,590	(1,467,210)
Total changes in operating assets and liabilities	(1,372,754)	(46,424)	(4,138,038)
Cash provided by (used in) operations	1,960,670	66,306	(1,713,201)
Interest received	118,301	4,001	241,598
Dividends received	68,073	2,302	209,690
Interest paid	(763,404)	(25,817)	(780,625)
Income taxes paid	(302,032)	(10,214)	(107,070)
Net cash provided by (used in) operating activities	1,081,608	36,578	(2,149,608)
Cash flows from investing activities:			
Additions to available-for-sale financial assets	(35,000)	(1,183)	(77,277)
Proceeds from sale of available-for-sale financial assets	2,249,487	76,073	21,999
Proceeds from investees' capital reduction	-	-	3,574
Additions to investments accounted for using equity method	(2,000)	(68)	(21,818)
Proceeds from disposal of investments accounted for using equity method	138,367	4,679	7,124
Acquisition of a subsidiary, net of cash acquired	(177,187)	(5,992)	-
Additions to property, plant and equipment	(1,068,620)	(36,139)	(1,143,389)
Additions to investment property	(697,646)	(23,593)	(711,434)
Proceeds from disposal of property, plant and equipment	26,512	897	1,752,403
Proceeds from disposal of land use right	190,817	6,453	-
Increase in other receivables from related parties	(23,622)	(799)	(88,026)
Additions to intangible assets	(132,035)	(4,465)	(59,639)
Increases in other financial assets	(611,326)	(20,674)	(1,698,028)
Net cash used in investing activities	(142,253)	(4,811)	(2,014,511)
Cash flows from financing activities:			
Increase in short-term borrowings	6,670,873	225,596	2,991,795
Redemption of bonds	-	-	(120,900)
Increase in long-term debt	2,510,508	84,901	11,173,499
Decrease in long-term debt	(10,582,085)	(357,866)	(11,738,063)
Acquisition of ownership interests from non-controlling interests	(7,069)	(239)	(92,151)
Change in non-controlling interests	24,500	829	-
Dividends paid to non-controlling interests	(5,591)	(189)	(7,334)
Net cash provided by (used in) financing activities	(1,388,864)	(46,968)	2,206,846
Effects of foreign exchange rate changes	188,981	6,391	(204,734)
Net decrease in cash and cash equivalents	(260,528)	(8,810)	(2,162,007)
Cash and cash equivalents at beginning of period	8,905,101	301,153	12,349,895
Cash and cash equivalents at end of period	\$ 8,644,573	292,343	10,187,888