

Outline

- QI DMS Business Financial Results
- QI 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.

Q1 DMS Business Financial Results

Q1 DMS Business Income Statement: QoQ Analysis

Amount : NT\$ Billion

	2013 Q1		2012 Q4		QoQ
DMS Business: (1)					
Net Sales	18.06	100.0%	19.91	100.0%	-9.2%
COGS	(16.93)		(18.68)		
Gross Margin	1.14	6.3%	1.22	6.2%	+0.1 ppt
Opex	(1.11)	-6.1%	(1.19)	-6.0%	
Operating Income	0.03	0.2%	0.04	0.2%	+0.0 ppt
Net Non-op Items	(0.81)		(0.97)		
Consolidated: (2)					
Net Loss	(0.77)	-4.3%	(1.07)	-5.4%	+1.1 ppt
Net Loss, attributable to shareholders of company	(0.84)	-4.7%	(1.00)	-5.0%	+0.3 ppt
EPS (NT\$)	(0.43)		(0.51)		
Net Worth / Share (NT\$)	9.59		9.34		

(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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Q1 DMS Business Balance Sheet Highlights

Amount: NT\$ Billion

	2013 Q1		2012 Q4		QoQ
Cash & Equivalent	7.74	12.7%	3.74	6.6%	4.00
Accounts Receivable	14.04	23.0%	10.61	18.8%	3.43
Inventory	6.93	11.4%	7.48	13.3%	(0.55)
L-T Investments	20.58	33.8%	20.74	36.8%	(0.16)
Total Assets	60.93	100.0%	56.33	100.0%	4.60
Fin. Debt	23.60	38.7%	19.28	34.2%	4.32
Accounts Payable	13.94	22.9%	14.03	24.9%	(0.09)
Total Liabilities	42.07	69.0%	37.97	67.4%	4.10
Equity	18.86	31.0%	18.36	32.6%	0.50

* 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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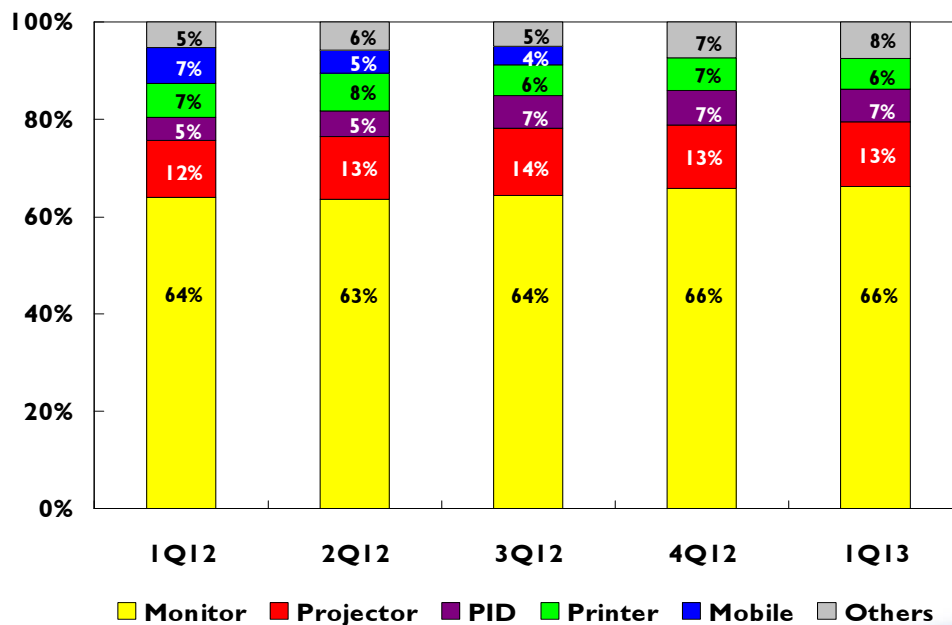
Q1 DMS Business Key Financial Ratios

	2013 Q1	2012 Q4	QoQ
A/R Turnover	72 days	51 days	+21 days
Inventory Turnover	38 days	41 days	-3 days
A/P Turnover	81 days	74 days	+7 days
Cash Conversion Cycle	29	18	+11 days
ROA	-1.4%	-1.9%	+0.5 ppt
ROE	-4.5%	-5.2%	+0.7 ppt
Current ratio	99.0%	101.8%	-2.8 ppt
Fin. Debt / Total Assets	38.7%	34.2%	+4.5 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 Q1 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 includes Mobiles.

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2013 Q1 DMS Business Summary

- **Monitor :**
 - Unit shipment decreased by 4.2% QoQ
- **Projector :**
 - Unit shipment decreased by 8.6% QoQ
- **Color laser printer :**
 - Unit shipment decreased by 15% QoQ

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Value-Up Solutions

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Qisda Corporation
Unaudited DMS Business Balance Sheet
Mar ,31, 2013

UNIT : NT\$K

Assets			Liabilities and stockholders' equity		
Current assets :			Liabilities		
Cash & cash equivalents	\$ 7,676,263	13	Short- term borrowings	\$ 12,428,000	20
Financial assets at fair value through profit or loss - current	20,586	0	Short-term notes and bills payable	-	-
Current available-for-sale financial assets	-	-	Current financial liabilities at fair value through profit or loss	17,175	0
Notes and accounts receivable,net	9,245,019	15	N/P & A/P	12,977,216	21
N/R & A/R from related parties	4,796,985	8	N/P & A/P to related parties	958,055	2
Other receivables, net	223,251	0	Other payable	2,926,008	-
Other receivable from related parties	213,846	0	Other payable to related parties	8,503	0
Net inventories	6,925,353	11	Other current liabilities	788,116	1
Other current assets	1,779,630	3	Bonds payable due within one year	-	-
Other Finaancial assets-current	62,988	0	Long-term debt due within one year	728,400	1
Non-current assets classified as held for sale	-	-	Current provisions	427,020	1
Total current assets	30,943,921	51	Total current liabilities	31,258,492	51
Non current assets			Total non-current liabilities		
Non-current available-for-sale financial assets	229,472	0	Long term loan	10,447,668	17
Investments accounted for using equity method	20,579,636	34	Leased Liabilities-non current	-	-
Property, plant and equipment	6,146,603	10	Provision Liabilities-non current	-	-
Investment property	-	-	Deferred tax liabilities	39,241	0
Intangible assets	47,092	0	Other non-current liabilities, others	326,388	1
Deferred tax assetsent	1,163,967	2	Total non-current liabilities	10,813,298	18
Other non-current assets	61,306	0	Total Liabilities	42,071,789	69
Other non-current financial assets	834,009	1	Attributable to owners of company		
Long-term prepaid rents	922,699	2	Common stock	19,667,820	32
Total Non current assets	29,984,785	49	Capital surplus	21,447	0
			Retained Earnings	(1,823,033)	(3)
			Other equity interest	997,562	2
			Treasury Stock	(6,880)	(0)
			Equity attributable to owners of parent	18,856,916	31
			Non-controlling interests	-	-
			Total stockholders' equity	18,856,916	31
				-	-
Total Assets	\$ 60,928,706	100	Total Liabilities and stockholders' equity	\$ 60,928,706	100

Qisda Corporation
Unaudited DMS Business Comprehensive Income Statement
Jan-Mar' 2013

UNIT : NT\$K

Net sales	\$ 18,064,369	100
Cost of goods sold	16,927,130	94
Gross profit	1,137,238	6
S & M	380,550	2
G & A	186,758	1
R & D	538,980	3
	1,106,288	6
Operating income (loss)	30,950	0
Total non-operating income (loss)	(811,957)	(4)
Profit before tax	(781,007)	(4)
Income Tax Expense	60,997	0
Profit after tax	(842,004)	(5)
Other comprehensive income (Profit after tax)	1,321,157	7
Comprehensive income	\$ 479,153	3

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

Assets	2013.3.31		2012.12.31	2012.3.31	2012.1.1	Liabilities and Equity	2013.3.31		2012.12.31	2012.3.31	2012.1.1
	NT\$	US\$	NT\$	NT\$	NT\$		NT\$	US\$	NT\$	NT\$	NT\$
Current assets :						Current liabilities :					
Cash and cash equivalents	\$ 12,128,735	405,983	8,905,101	11,321,598	12,349,895	Short-term borrowings	\$ 16,302,334	545,685	8,137,566	10,345,035	7,474,224
Financial assets at fair value through profit or loss – current	293,258	9,816	321,441	503,239	488,388	Short-term notes and bills payable	-	-	-	399,505	-
Available-for-sale financial assets – current	-	-	-	2,094,174	1,681,960	Financial liabilities at fair value through profit or loss – current	41,900	1,403	205,165	137,836	58,123
Notes and accounts receivable, net	14,910,142	499,084	10,303,134	10,587,568	9,953,389	Notes and accounts payable	18,382,233	615,305	19,709,152	19,465,324	19,840,502
Notes and accounts receivable from related parties	1,879,988	62,928	2,063,434	2,349,495	1,701,450	Accounts payable to related parties	1,536,267	51,423	1,635,555	1,683,710	2,115,369
Other receivables	930,087	31,133	1,329,124	1,650,534	1,725,872	Other payables	7,654,425	256,215	8,083,198	7,079,597	8,410,009
Other receivables from related parties	122,662	4,106	110,444	21,281	38,500	Other payables to related parties	17,534	587	29,393	18,997	9,184
Inventories	12,987,585	434,731	15,015,038	13,302,918	14,749,530	Other current liabilities	606,247	20,293	594,380	1,004,116	1,478,422
Other current assets	2,430,527	81,357	2,783,668	4,029,901	3,248,908	Current portion of bonds payable	-	-	-	-	120,671
Other financial assets – current	1,023,082	34,245	1,092,903	1,655,900	1,439,722	Current portion of long-term debt	2,493,022	83,448	2,140,863	1,766,544	2,632,195
Non-current assets held for sale	-	-	-	-	301,372	Provisions – current	418,940	14,023	483,416	631,788	481,095
Total current assets	46,706,066	1,563,383	41,924,287	47,516,608	47,678,986	Total current liabilities	47,452,902	1,588,382	41,018,688	42,532,452	42,619,794
Non-current assets :						Non-current liabilities :					
Available-for-sale financial assets – non-current	977,553	32,722	2,518,580	1,073,838	593,258	Long-term debt, excluding current portion	18,803,708	629,413	22,435,632	22,350,233	23,118,048
Investments accounted for using equity method	13,800,542	461,943	13,842,756	17,085,866	18,222,668	Lease obligations payable	995,910	33,336	970,846	966,112	968,358
Property, plant and equipment	20,550,932	687,897	20,248,325	19,852,257	20,541,502	Provisions – non-current	984,104	32,940	864,709	1,002,935	1,159,378
Investment property	1,735,836	58,103	1,560,698	840,125	757,298	Deferred income tax liabilities	112,143	3,754	94,546	102,139	240,208
Intangible assets	156,537	5,240	162,001	215,351	199,609	Other non-current liabilities	446,366	14,941	355,869	426,955	499,815
Deferred income tax assets	1,574,007	52,686	1,588,145	1,612,707	1,579,529	Total non-current liabilities	21,342,231	714,384	24,721,602	24,848,374	25,985,807
Other non-current assets	298,925	10,006	310,059	363,251	285,673	Total liabilities	68,795,133	2,302,766	65,740,290	67,380,826	68,605,601
Other financial assets – non-current	987,845	33,066	999,581	1,025,977	205,555	Equity attributable to owners of parent :					
Long-term prepaid rents	3,006,388	100,632	2,942,126	2,917,702	3,034,239	Common stock	19,667,820	658,337	19,667,820	19,667,820	19,667,820
Total non-current assets	43,088,565	1,442,295	44,172,271	44,987,074	45,419,331	Capital surplus	21,447	718	-	-	-
						Retained earnings (accumulated deficit)	(1,823,033)	(61,022)	(977,063)	2,483,794	2,077,907
						Other equity interest	997,563	33,391	(323,595)	423,755	(17,201)
						Treasury stock	(6,880)	(230)	(6,880)	(26,719)	(27,525)
						Total equity attributable to owners of parent	18,856,917	631,194	18,360,282	22,548,650	21,701,001
						Non-controlling interests	2,142,581	71,718	1,995,986	2,574,206	2,791,715
						Total equity	20,999,498	702,912	20,356,268	25,122,856	24,492,716
Total assets	\$ 89,794,631	3,005,678	86,096,558	92,503,682	93,098,317	Total liabilities and equity	\$ 89,794,631	3,005,678	86,096,558	92,503,682	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 March 31, 2013, of NT\$29.875 to US\$1 uniformly for all the financial statements accounts.)

Qisda Corporation and Subsidiaries
Consolidated Statements of Comprehensive Income
For the three-month periods ended March 31, 2013 and 2012
(Expressed in thousands of New Taiwan dollars and US dollars, except earnings per share)

	2013.1.1~3.31		2012.1.1~3.31
	NT\$	US\$	NT\$
Revenue	\$ 27,505,858	920,698	29,195,318
Cost of sales	(25,006,312)	(837,031)	(26,913,163)
Gross profit	<u>2,499,546</u>	<u>83,667</u>	<u>2,282,155</u>
Operating expenses:			
Selling expenses	(1,272,054)	(42,579)	(1,272,527)
Administrative expenses	(693,835)	(23,225)	(740,245)
Research and development expenses	(680,287)	(22,771)	(720,648)
	<u>(2,646,176)</u>	<u>(88,575)</u>	<u>(2,733,420)</u>
Operating loss	<u>(146,630)</u>	<u>(4,908)</u>	<u>(451,265)</u>
Non-operating income and loss:			
Other income	67,911	2,273	569,160
Other non-operating income and loss – net	(174,015)	(5,824)	1,521,134
Finance costs	(227,755)	(7,624)	(319,866)
Share of loss of associates and joint ventures accounted for using equity method, net	(208,376)	(6,975)	(1,021,904)
	<u>(542,235)</u>	<u>(18,150)</u>	<u>748,524</u>
Total non-operating income and loss	<u>(542,235)</u>	<u>(18,150)</u>	<u>748,524</u>
Profit (loss) before tax	<u>(688,865)</u>	<u>(23,058)</u>	<u>297,259</u>
Income tax expense	<u>(82,649)</u>	<u>(2,767)</u>	<u>(27,840)</u>
Profit (loss)	<u>(771,514)</u>	<u>(25,825)</u>	<u>269,419</u>
Other comprehensive income:			
Foreign currency translation differences	369,982	12,384	(361,194)
Change in fair value of available-for-sale financial assets	881,432	29,504	849,731
Share of other comprehensive income of associates and joint ventures accounted for using equity method	125,978	4,217	(90,075)
	<u>1,377,392</u>	<u>46,105</u>	<u>398,462</u>
Other comprehensive income for the period, net of tax	<u>1,377,392</u>	<u>46,105</u>	<u>398,462</u>
Total comprehensive income for the period	<u><u>605,878</u></u>	<u><u>20,280</u></u>	<u><u>667,881</u></u>
Profit (loss), attributable to:			
Shareholders of the Company	\$ (842,004)	(28,184)	476,686
Non-controlling interests	70,490	2,359	(207,267)
	<u>\$ (771,514)</u>	<u>(25,825)</u>	<u>269,419</u>
Total comprehensive income attributable to:			
Shareholders of the Company	\$ 479,153	16,038	917,642
Non-controlling interests	126,725	4,242	(249,761)
	<u>\$ 605,878</u>	<u>20,280</u>	<u>667,881</u>
Earnings per common share (expressed in New Taiwan dollars and US dollars):			
Basic earnings per common share	<u>\$ (0.43)</u>	<u>(0.01)</u>	<u>0.24</u>

Qisda Corporation and Subsidiaries
Consolidated Statements of Changes in Equity
For the three-month periods ended March 31, 2013 and 2012
(Expressed in thousands of New Taiwan dollars and US dollars)

	Attributable to owners of parent											
	Common Stocks	Capital surplus	Retained earnings			Other equity interest			Treasury shares	Total equity attributable to owners of parent	Non- controlling interests	Total equity
			Legal reserve	Special reserve	Retained earnings (accumulated deficit)	Foreign currency translation differences	Change in fair value of available-for- sale financial					
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	776,258	(793,459)	(27,525)	21,701,001	2,791,715	24,492,716	
Changes in equity of associates and joint ventures accounted for using equity method	-	-	-	-	(70,799)	-	-	-	(70,799)	-	(70,799)	
Profit (loss)	-	-	-	-	476,686	-	-	-	476,686	(207,267)	269,419	
Other comprehensive income (loss) for the period	-	-	-	-	-	(394,845)	835,801	-	440,956	(42,494)	398,462	
Total comprehensive income (loss) for the period	-	-	-	-	476,686	(394,845)	835,801	-	917,642	(249,761)	667,881	
Change in treasury stock held by subsidiaries	-	-	-	-	-	-	-	806	806	-	806	
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	32,252	32,252	
Balance at March 31, 2012	\$ 19,667,820	-	312,870	286,915	1,884,009	381,413	42,342	(26,719)	22,548,650	2,574,206	25,122,856	
Balance at January 1, 2013	\$ 19,667,820	-	-	-	(977,063)	267,043	(590,638)	(6,880)	18,360,282	1,995,986	20,356,268	
Changes in equity of associates and joint ventures accounted for using equity method	-	21,447	-	-	(3,966)	-	-	-	17,481	-	17,481	
Profit (loss)	-	-	-	-	(842,004)	-	-	-	(842,004)	70,490	(771,514)	
Other comprehensive income (loss) for the period	-	-	-	-	-	461,411	859,747	-	1,321,158	56,234	1,377,392	
Total comprehensive income (loss) for the period	-	-	-	-	(842,004)	461,411	859,747	-	479,154	126,724	605,878	
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	19,871	19,871	
Balance at March 31, 2013	\$ 19,667,820	21,447	-	-	(1,823,033)	728,454	269,109	(6,880)	18,856,917	2,142,581	20,999,498	

Qisda Corporation and Subsidiaries
Consolidated Statements of Cash Flows
For the three-month periods ended March 31, 2013 and 2012
(Expressed in thousands of New Taiwan dollars and US Dollars)

	2013.1.1~3.31		2012.1.1~3.31
	NT\$	US\$	NT\$
Cash flows from operating activities:			
Profit (loss) before taxes	\$ (688,865)	(23,058)	297,259
Adjustments for:			
Adjustments to reconcile profit (loss)			
Depreciation	575,475	19,263	560,827
Amortization	50,050	1,675	61,821
Interest expense	227,755	7,623	319,866
Amortization of bond issuance costs	3,511	117	23,726
Share of loss of associates and joint ventures accounted for using equity method, net	208,376	6,975	1,021,904
Loss (gain) on disposal of property, plan and equipment, net	17	1	(1,401,504)
Loss (gain) on disposal of investments	268,280	8,980	(7,509)
Impairment loss on non-financial assets	-	-	772
Total adjustments to reconcile profit (loss)	<u>1,333,464</u>	<u>44,634</u>	<u>579,903</u>
Changes in operating assets and liabilities:			
Financial assets (liabilities) at fair value through profit or loss	(133,996)	(4,485)	70,400
Notes and accounts receivable	(4,565,880)	(152,833)	(634,179)
Notes and accounts receivable from related parties	183,446	6,141	(648,045)
Other receivables	399,037	13,357	748,336
Other receivables from related parties	4,937	165	17,219
Inventories	2,043,753	68,410	1,446,612
Other current assets	361,339	12,095	(501,472)
Other financial assets – current	69,821	2,337	(216,178)
Net changes in operating assets	<u>(1,637,543)</u>	<u>(54,813)</u>	<u>282,693</u>
Notes and accounts payable	(1,363,494)	(45,640)	(375,178)
Accounts payable to related parties	(99,288)	(3,323)	(431,659)
Other payables to related parties	(11,859)	(397)	9,813
Provisions	54,919	1,838	(5,750)
Other current liabilities	(266,515)	(8,921)	(1,959,218)
Other non-current liabilities	88,403	2,959	(68,224)
Net changes in operating liabilities	<u>(1,597,834)</u>	<u>(53,484)</u>	<u>(2,830,216)</u>
Total changes in operating assets and liabilities	<u>(3,235,377)</u>	<u>(108,297)</u>	<u>(2,547,523)</u>
Cash used in operations	(2,590,778)	(86,721)	(1,670,361)
Interest paid	(250,138)	(8,373)	(342,953)
Income taxes paid	(161,448)	(5,404)	(18,789)
Net cash used in operating activities	<u>(3,002,364)</u>	<u>(100,498)</u>	<u>(2,032,103)</u>
Cash flows from investing activities:			
Additions to available-for-sale financial assets	(35,000)	(1,172)	-
Proceeds from sale of available-for-sale financial assets	2,206,095	73,844	21,587
Additions to investments accounted for using equity method	(2,000)	(68)	(92,546)
Proceeds from disposal of investments accounted for using equity method	-	-	7,124
Acquisition of a subsidiary, net of cash acquired	(177,187)	(5,931)	-
Additions to property, plant and equipment	(352,187)	(11,788)	(454,105)
Proceeds from disposal of property, plant and equipment	3,819	128	1,009,568
Increase in other receivables from related parties	(17,155)	(574)	-
Additions to intangible assets	(27,342)	(915)	(49,908)
Additions to investment property	(129,575)	(4,337)	(103,098)
Decrease in other financial assets – non-current	11,736	393	(820,422)
Net cash provided by (used in) investing activities	<u>1,481,204</u>	<u>49,580</u>	<u>(481,800)</u>
Cash flows from financing activities:			
Increase in short-term borrowings	8,154,185	272,944	2,870,811
Increase in short-term notes and bills payable	-	-	399,505
Redemption of bonds	-	-	(120,900)
Increase in long-term debt	880,132	29,461	6,067,346
Decrease in long-term debt	(4,380,888)	(146,641)	(7,611,740)
Acquisition of ownership interests from non-controlling interests	(7,069)	(237)	-
Change in non-controlling interests	24,500	820	-
Net cash provided by financing activities	<u>4,670,860</u>	<u>156,347</u>	<u>1,605,022</u>
Effects of foreign exchange rate changes	73,934	2,475	(119,416)
Net increase (decrease) in cash and cash equivalents	3,223,634	107,904	(1,028,297)
Cash and cash equivalents at beginning of period	8,905,101	298,079	12,349,895
Cash and cash equivalents at end of period	<u>\$ 12,128,735</u>	<u>405,983</u>	<u>11,321,598</u>