



# Qisda Corporation 2012 Q4 Results

March 7, 2013

Qisda Confidential © 2012, Qisda Corporation

Qisda

## Outline

- Q4 and 2012 DMS Business Financial Results
- 2012 Q4 DMS Business Summary

2 Qisda Confidential © 2012, Qisda Corporation

Qisda

## 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 DMS(Design, Manufacturing and Service) business (formerly named Consolidated core business), and audited results of consolidated financials.**

## Q4 and 2012 DMS Business Financial Results

Qisda Confidential © 2012, Qisda Corporation

Qisda

### Q4 DMS Business Income Statement: QoQ Analysis

Amount : NT\$ Billion

	2012 Q4		2012 Q3		QoQ
<b>DMS Business: <sup>(1)</sup></b>					
Net Sales	19.91	100.0%	23.23	100.0%	-14.3%
COGS	(18.72)		(21.62)		
<b>Gross Margin</b>	<b>1.18</b>	<b>5.9%</b>	<b>1.61</b>	<b>6.9%</b>	<b>-1.0 ppt</b>
Opex	(1.12)	-5.6%	(1.15)	-5.0%	
<b>Operating Income</b>	<b>0.06</b>	<b>0.3%</b>	<b>0.46</b>	<b>2.0%</b>	<b>-1.7 ppt</b>
Net Non-op Items	(1.06)		(1.05)		
<b>Consolidated: <sup>(2)</sup></b>					
Income before Tax	(1.00)		(0.59)		
<b>Net Income</b>	<b>(1.07)</b>	<b>-5.4%</b>	<b>(1.11)</b>	<b>-4.8%</b>	<b>-0.6 ppt</b>
<b>EPS-Diluted (NT\$)</b>	<b>(0.55)</b>		<b>(0.57)</b>		
<b>Net Worth / Share (NT\$)</b>	<b>9.35</b>		<b>10.01</b>		

(1) Based on unaudited results of the DMS(Design, Manufacturing and Service) business

(2) Based on audited results of consolidated financials

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

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

6 Qisda Confidential © 2012, Qisda Corporation

Qisda

## Q4 DMS Business Balance Sheet Highlights

Amount: NT\$ Billion

	2012 Q4		2012 Q3		QoQ
Cash & Equivalent	3.74	6.6%	4.66	7.4%	(0.92)
Accounts Receivable	10.61	18.7%	12.53	20.0%	(1.92)
Inventory	7.48	13.2%	8.47	13.5%	(0.99)
L-T Investments	22.73	40.0%	24.01	38.3%	(1.28)
<b>Total Assets</b>	<b>56.87</b>	<b>100.0%</b>	<b>62.76</b>	<b>100.0%</b>	<b>(5.89)</b>
Fin. Debt	19.28	33.9%	21.00	33.5%	(1.72)
Accounts Payable	14.03	24.7%	17.12	27.3%	(3.09)
<b>Total Liabilities</b>	<b>38.49</b>	<b>67.7%</b>	<b>43.08</b>	<b>68.6%</b>	<b>(4.59)</b>
<b>Equity</b>	<b>18.39</b>	<b>32.3%</b>	<b>19.69</b>	<b>31.4%</b>	<b>(1.30)</b>

\* Based on unaudited results of the DMS(Design, Manufacturing and Service) business  
\* Fin. debt included long term and short term financial debts

## Q4 DMS Business Key Financial Ratios

	2012 Q4	2012 Q3	QoQ
A/R Turnover	51 days	48 days	+3 days
Inventory Turnover	41 days	37 days	+4 days
A/P Turnover	74 days	76 days	-2 days
Cash Conversion Cycle	18 days	9 days	+9 days
ROA	-1.8%	-1.8%	0.0 ppt
ROE	-5.4%	-5.4%	0.0 ppt
Current ratio	101.9%	104.1%	-2.2 ppt
Fin. Debt / Total Assets	33.9%	33.5%	+0.4 ppt

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

## 2012 DMS Business Income Statement: YoY Analysis

Amount : NT\$ Billion

	2012		2011		QoQ
<b>DMS Business: (1)</b>					
Net Sales	84.48	100.0%	84.89	100.0%	-0.5%
COGS	(78.81)		(79.15)		
Gross Margin	5.67	6.7%	5.74	6.8%	-0.1 ppt
Opex	(4.75)	-5.6%	(4.89)	-5.8%	
Operating Income	0.91	1.1%	0.85	1.0%	+0.1 ppt
Net Non-op Items	(2.92)		(4.09)		
<b>Consolidated: (2)</b>					
Income before Tax	(2.00)		(3.25)		
Net Income	(2.60)	-3.1%	(3.41)	-4.0%	+0.9 ppt
EPS-Diluted (NT\$)	(1.32)		(1.74)		
Net Worth / Share (NT\$)	9.35		10.96		

- (1) Based on unaudited results of the DMS(Design, Manufacturing and Service) business  
 (2) Based on audited results of consolidated financials  
 (3) EPS-diluted was calculated based on total diluted, weighted-averaged outstanding shares (1,966 m shares)  
 (4) Net worth per share was calculated based on total outstanding shares (1,966 m shares)

## 2012 DMS Business Balance Sheet Highlights

Amount: NT\$ Billion

	2012		2011		QoQ
Cash & Equivalent	3.74	6.6%	6.86	10.4%	(3.12)
Accounts Receivable	10.61	18.7%	10.12	15.4%	0.49
Inventory	7.48	13.2%	7.93	12.0%	(0.45)
L-T Investments	22.73	40.0%	26.19	39.7%	(3.46)
Total Assets	56.87	100.0%	65.89	100.0%	(9.02)
Fin. Debt	19.28	33.9%	22.72	34.5%	(3.44)
Accounts Payable	14.03	24.7%	15.91	24.1%	(1.88)
Total Liabilities	38.49	67.7%	44.36	67.3%	(5.87)
Equity	18.39	32.3%	21.53	32.7%	(3.14)

- \* Based on unaudited results of the DMS(Design, Manufacturing and Service) business  
 \* Fin. debt included long term and short term financial debts

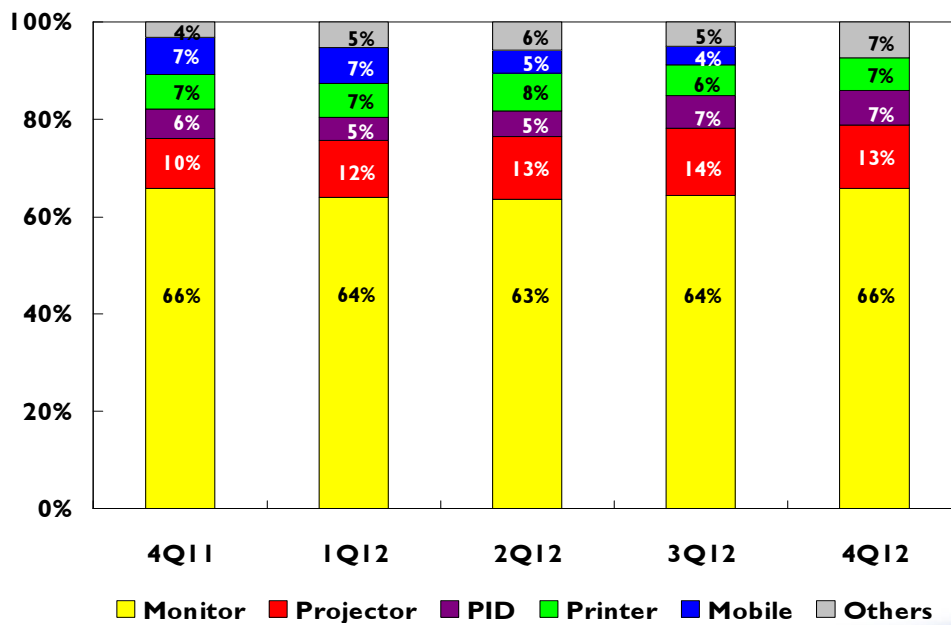
## 2012 DMS Business Key Financial Ratios

	2012	2011	QoQ
<b>A/R Turnover</b>	51 days	40 days	+11 days
<b>Inventory Turnover</b>	41 days	35 days	+6 days
<b>A/P Turnover</b>	74 days	75 days	-1 days
<b>Cash Conversion Cycle</b>	18 days	0 days	+18 days
<b>ROA</b>	-4.2%	-4.9%	+0.7 ppt
<b>ROE</b>	-13.0%	-14.5%	+1.5 ppt
<b>Current ratio</b>	101.9%	107.5%	-5.6 ppt
<b>Fin. Debt / Total Assets</b>	33.9%	34.5%	-0.6 ppt

\* Based on unaudited results of the DMS(Design, Manufacturing and Service) business  
 \* ROA and ROE were calculated on an annual basis

## 2012 Q4 DMS Business Summary

## DMS Business Revenue Breakdown by Product Line



Note : 1. Professional and industrial display, herein referred to as "PID".

2. "Others" includes automobile electronics and other products; 4Q12 includes Mobiles.

13 Qisda Confidential © 2012, Qisda Corporation

Qisda

## 2012 Q4 DMS Business Summary

- **Monitor :**

- Unit shipment decreased by 13% QoQ

- **Projector :**

- Unit shipment decreased by 21% QoQ

- **Color laser printer :**

- Unit shipment maintained the same as Q3

14 Qisda Confidential © 2012, Qisda Corporation

Qisda



# Qisda

## Value-Up Solutions

Qisda Confidential © 2012, Qisda Corporation

Qisda



**Qisda Corporation.**  
**Unaudited DMS Business Balance Sheet**  
**Dec ,31, 2012**

UNIT : NT\$K

<b>Assets</b>			<b>Liabilities and stockholders' equity</b>		
<b>Current assets :</b>			<b>Liabilities</b>		
Cash & cash equivalents	3,675,978	6.5%	Short- term borrowings	4,982,256	8.8%
Financial assets at fair value through profit or loss - current	910	0.0%	Financial liabilities at fair value through profit or loss - current	31,128	0.1%
Notes and accounts receivable,net	5,568,864	9.8%	N/P & A/P	12,946,698	22.8%
N/R & A/R from related parties	5,043,984	8.9%	N/P & A/P to related parties	1,079,647	1.9%
Other receivables, net	638,188	1.1%	Other payable to related parties	12,082	0.0%
Other receivable from related parties	27,013	0.0%	Long-term debt due within one year	785,720	1.4%
Other financial assets - current	61,436	0.1%	Accrued exp. & other current liab.	4,454,440	7.8%
Net inventories	7,482,821	13.2%	<b>Total current liabilities</b>	<u>24,291,971</u>	42.7%
Prepaid expenses and other current assets	2,045,606	3.6%	Long term loan	13,509,480	23.8%
Deferred income tax assets - current	219,946	0.4%	Bonds payable	0	0.0%
<b>Total current assets</b>	<u>24,764,746</u>	43.5%	Other liabilities	684,300	1.2%
Long-term investments	22,731,289	40.0%	<b>Total liabilities</b>	<u>38,485,751</u>	67.7%
<b>Fixed assets :</b>	8,905,510	15.7%	<b>Stockholders' equity</b>		
Less : Accumulated depreciation and	<u>(2,907,160)</u>	5.1%	Common stock	19,667,820	34.6%
<b>Total fixed assets</b>	<u>5,998,350</u>	10.5%	Capital surplus	3,505,798	6.2%
Other assets	3,379,990	5.9%	Legal reserve	0	0.0%
			Unrealized gain or loss on available-for-sale financial assets	(803,159)	-1.4%
			Retained earnings	(4,232,396)	-7.4%
			Cumulative translation adjustment	257,441	0.5%
			Treasury stock	<u>(6,880)</u>	0.0%
			<b>Total stockholders' equity</b>	<u>18,388,624</u>	32.3%
<b>Total Assets</b>	<u>\$ 56,874,375</u>	100.0%	<b>Total Liabilities and stockholders' equity</b>	<u>\$ 56,874,375</u>	100.0%

**Qisda Corporation.**  
**Unaudited DMS Business Income Statement**  
**Jan-Dec' 2012**

UNIT : NT\$K

<b>Net sales</b>	\$ 84,474,695	100.0%
Cost of goods sold	<u>(78,806,075)</u>	-93.3%
<b>Gross profit</b>	<u>5,668,620</u>	6.7%
<b>Operating expense :</b>		
S & M	(1,808,067)	-2.1%
G & A	(619,687)	-0.7%
R & D	<u>(2,326,340)</u>	-2.8%
<b>Total Operating expense</b>	<u>(4,754,094)</u>	-5.6%
<b>Operating income (loss)</b>	914,526	1.1%
<b>Non-operating income (loss)</b>	<u>(2,916,367)</u>	-3.5%
<b>Consolidated Earning before income tax</b>	<u>(2,001,840)</u>	-2.4%
<b>Consolidated Income tax expense</b>	<u>(598,324)</u>	-0.7%
<b>Consolidated Profit after tax</b>	<u>(\$2,600,164)</u>	-3.1%

**Qisda Corporation**

**Non-consolidated Balance Sheets**

**December 31, 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\$
<b>Current assets:</b>				<b>Current liabilities:</b>			
Cash and cash equivalents	4,141,627	343,101	11,811	Short-term borrowings	3,710,654	407,904	14,041
Financial assets at fair value through profit or loss— current	8,680	910	31	Financial liabilities at fair value through profit or loss— current	46,371	31,128	1,072
Available-for-sale financial assets— current	1,673,995	-	-	Accounts payable	2,096,942	2,446,893	84,230
Accounts receivable, net	3,835,407	4,549,994	156,626	Accounts payable to related parties	9,835,579	11,493,303	395,639
Accounts receivables from related parties	7,561,546	6,763,326	232,817	Other payable to related parties	96,855	38,516	1,326
Other receivables, net	858,920	629,539	21,671	Accrued expenses	2,372,477	2,060,928	70,944
Other receivables from related parties	951,714	10,835	373	Bonds payable due within one year	120,671	-	-
Inventories	2,475,960	2,900,400	99,841	Current installments of long-term debt	1,742,280	785,720	27,047
Prepaid expenses and other current assets	54,720	80,378	2,767	Other current liabilities	828,563	296,367	10,202
Deferred income tax assets – current	46,635	91,528	3,151	Deferred inter-company profits	24,707	12,279	423
<b>Total current assets</b>	<u>21,609,204</u>	<u>15,370,011</u>	<u>529,088</u>	<b>Total current liabilities</b>	<u>20,875,099</u>	<u>17,573,038</u>	<u>604,924</u>
<b>Long-term investments:</b>				<b>Long-term debt:</b>	<u>12,787,180</u>	<u>12,635,400</u>	<u>434,954</u>
Equity method	30,907,280	28,202,917	970,841	<b>Other liabilities:</b>			
Available-for-sale financial assets— non-current	130,923	1,844,479	63,493	Deposits in	2,530	2,070	71
Financial assets carried at cost – non-current	1,592	-	-	Deferred gain on sale-and-leaseback transaction – non-current	500,393	391,217	13,467
<b>Total long-term investments</b>	<u>31,039,795</u>	<u>30,047,396</u>	<u>1,034,334</u>	Other liabilities	12,503	145,797	5,019
<b>Property, plant and equipment:</b>				<b>Total other liabilities</b>	<u>515,426</u>	<u>539,084</u>	<u>18,557</u>
Land	600,168	635,066	21,861	<b>Total liabilities</b>	<u>34,177,705</u>	<u>30,747,522</u>	<u>1,058,435</u>
Buildings	1,428,183	1,459,880	50,254				
Machinery and equipment	869,933	885,036	30,466	<b>Stockholders' equity:</b>			
Furniture and fixtures	98,440	101,516	3,495	Common stock	19,667,820	19,667,820	677,033
Miscellaneous equipment	57,471	57,406	1,976	Capital surplus	3,683,406	3,505,798	120,682
Prepayments for plant and equipment	6,653	-	-	Legal reserve	312,870	-	-
	3,060,848	3,138,904	108,052	Special reserve	286,915	-	-
Less: accumulated depreciation	(1,581,493)	(1,647,176)	(56,702)	Retained earnings (accumulated deficit)	(2,232,017)	(4,232,396)	(145,694)
<b>Net property, plant and equipment</b>	<u>1,479,355</u>	<u>1,491,728</u>	<u>51,350</u>	Cumulative translation adjustment	747,146	257,441	8,862
<b>Intangible assets</b>	<u>62,861</u>	<u>50,448</u>	<u>1,737</u>	Unrealized loss on available-for-sale financial assets	(906,997)	(803,159)	(27,647)
<b>Other assets:</b>				Treasury stock	(27,525)	(6,880)	(237)
Assets for lease	210,503	153,485	5,284	<b>Total stockholders' equity</b>	<u>21,531,618</u>	<u>18,388,624</u>	<u>632,999</u>
Idle assets	104,324	104,324	3,591	<b>Commitments and contingencies</b>			
Restricted deposits	3,029	775,368	26,691				
Refundable deposits	58,559	56,775	1,954				
Deferred expenses	41,987	34,223	1,178				
Deferred income tax assets – non-current	982,334	937,441	32,270				
Prepaid pension cost	117,372	114,947	3,957				
<b>Total other assets</b>	<u>1,518,108</u>	<u>2,176,563</u>	<u>74,925</u>				
<b>Total assets</b>	<u><u>55,709,323</u></u>	<u><u>49,136,146</u></u>	<u><u>1,691,434</u></u>	<b>Total liabilities and stockholders' equity</b>	<u><u>55,709,323</u></u>	<u><u>49,136,146</u></u>	<u><u>1,691,434</u></u>

See accompanying notes to non-consolidated financial statements.

(Note: Translation of New Taiwan dollar amounts into U.S. dollar amounts is included in the non-consolidated financial statements solely for the convenience of the readers, using the noon buying rate of the Federal Reserve Bank in New York on December 31, 2012, of NT\$29.05 to US\$1 uniformly for all the financial statements accounts.)

**Qisda Corporation**

**Non-consolidated Statements of Operations**

**For the years ended December 31, 2011 and 2012**

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

	<b>2011</b>	<b>2012</b>	
	<b>NT\$</b>	<b>NT\$</b>	<b>US\$</b>
<b>Net sales</b>	69,187,423	75,120,434	2,585,901
<b>Cost of goods sold</b>	<u>(65,840,822)</u>	<u>(73,013,031)</u>	<u>(2,513,357)</u>
<b>Gross profit</b>	3,346,601	2,107,403	72,544
<b>Change in unrealized inter-company profits</b>	<u>64,199</u>	<u>12,428</u>	<u>428</u>
<b>Realized gross profit</b>	<u>3,410,800</u>	<u>2,119,831</u>	<u>72,972</u>
<b>Operating expenses:</b>			
Selling	(418,427)	(742,687)	(25,566)
Administrative	(559,246)	(231,273)	(7,961)
Research and development	<u>(2,039,408)</u>	<u>(1,997,108)</u>	<u>(68,747)</u>
	<u>(3,017,081)</u>	<u>(2,971,068)</u>	<u>(102,274)</u>
<b>Operating income (loss)</b>	<u>393,719</u>	<u>(851,237)</u>	<u>(29,302)</u>
<b>Non-operating income:</b>			
Interest income	39,468	18,689	643
Dividend income	272,786	154,412	5,315
Foreign currency exchange gain, net	212,658	141,088	4,857
Evaluation gain on financial instruments, net	-	7,473	257
Others	<u>672,346</u>	<u>467,761</u>	<u>16,102</u>
	<u>1,197,258</u>	<u>789,423</u>	<u>27,174</u>
<b>Non-operating expenses:</b>			
Interest expense	(539,845)	(507,986)	(17,487)
Investment loss recorded under equity method, net	(3,442,078)	(2,023,752)	(69,664)
Loss on disposal of investments, net	(471,706)	-	-
Evaluation loss on financial instruments, net	(374,479)	-	-
Others	<u>(71,092)</u>	<u>(6,612)</u>	<u>(228)</u>
	<u>(4,899,200)</u>	<u>(2,538,350)</u>	<u>(87,379)</u>
<b>Loss before income tax</b>	(3,308,223)	(2,600,164)	(89,507)
<b>Income tax expense</b>	<u>(102,954)</u>	<u>-</u>	<u>-</u>
<b>Net loss</b>	<u><b>(3,411,177)</b></u>	<u><b>(2,600,164)</b></u>	<u><b>(89,507)</b></u>
<b>Earnings per share (expressed in New Taiwan dollars and US dollars):</b>			
<b>Basic earnings per share</b>	<u><b>(1.68)</b></u>	<u><b>(1.32)</b></u>	<u><b>(0.045)</b></u>
<b>Diluted earnings per share</b>	<u><b>(1.74)</b></u>	<u><b>(1.32)</b></u>	<u><b>(0.045)</b></u>

See accompanying notes to non-consolidated financial statements.

(Note: Translation of New Taiwan dollar amounts into U.S. dollar amounts is included in the non-consolidated financial statements solely for the convenience of the readers, using the noon buying rate of the Federal Reserve Bank in New York on December 31, 2012, of NT\$29.05 to US\$1 uniformly for all the financial statements accounts.)

**Qisda Corporation**

**Non-consolidated Statements of Changes in Stockholders' Equity**

**For the years ended December 31, 2011 and 2012**  
**(Expressed in thousands of New Taiwan dollars)**

	<b>Common Stock NT\$</b>	<b>Capital Surplus NT\$</b>	<b>Legal Reserve NT\$</b>	<b>Special Reserve NT\$</b>	<b>Retained Earnings (Accumulated Deficit) NT\$</b>	<b>Cumulative Translation Adjustment NT\$</b>	<b>Unrealized Loss on Available-for-sale Financial Assets NT\$</b>	<b>Treasury Stocks NT\$</b>	<b>Total NT\$</b>
<b>Balance as of January 1, 2011</b>	19,282,176	3,571,497	-	-	3,128,697	101,959	(388,874)	(78,485)	25,616,970
Net loss for 2011	-	-	-	-	(3,411,177)	-	-	-	(3,411,177)
Appropriation of earnings and capital surplus:									
Decrease in capital surplus to offset accumulated deficit	-	-	-	-	-	-	-	-	-
Legal reverse	-	-	312,870	-	(312,870)	-	-	-	-
Special reverse	-	-	-	286,915	(286,915)	-	-	-	-
Cash dividends	-	-	-	-	(964,108)	-	-	-	(964,108)
Stock dividends	385,644	-	-	-	(385,644)	-	-	-	-
Change in treasury stock held by subsidiaries	-	-	-	-	-	-	-	50,960	50,960
Adjustments of net equity of investee companies	-	111,909	-	-	-	-	-	-	111,909
Change in unrealized loss on available-for-sale financial assets	-	-	-	-	-	-	(466,294)	-	(466,294)
Change in cumulative translation adjustment	-	-	-	-	-	645,187	-	-	645,187
Change in unrealized loss on financial instruments held by equity method investees	-	-	-	-	-	-	(51,829)	-	(51,829)
<b>Balance as of December 31, 2011</b>	<u>19,667,820</u>	<u>3,683,406</u>	<u>312,870</u>	<u>286,915</u>	<u>(2,232,017)</u>	<u>747,146</u>	<u>(906,997)</u>	<u>(27,525)</u>	<u>21,531,618</u>
Net loss for 2012	-	-	-	-	(2,600,164)	-	-	-	(2,600,164)
Appropriation of earnings and capital surplus:									
Decrease in legal reserve to offset accumulated deficit	-	-	(312,870)	-	312,870	-	-	-	-
Decrease in special reserve to offset accumulated deficit	-	-	-	(286,915)	286,915	-	-	-	-
Change in treasury stock held by subsidiaries	-	-	-	-	-	-	-	20,645	20,645
Adjustments of net equity of investee companies	-	(177,608)	-	-	-	-	-	-	(177,608)
Change in unrealized loss on available-for-sale financial assets	-	-	-	-	-	-	39,561	-	39,561
Change in cumulative translation adjustment	-	-	-	-	-	(489,705)	-	-	(489,705)
Change in unrealized loss on financial instruments held by equity method investees	-	-	-	-	-	-	64,277	-	64,277
<b>Balance as of December 31, 2012</b>	<u><u>19,667,820</u></u>	<u><u>3,505,798</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>(4,232,396)</u></u>	<u><u>257,441</u></u>	<u><u>(803,159)</u></u>	<u><u>(6,880)</u></u>	<u><u>18,388,624</u></u>

(Note: Director's and supervisor's remuneration of \$25,290 and employee bonuses of \$360,000 for 2010 have been deducted in the 2010 net income)

See accompanying notes to non-consolidated financial statements.

**Qisda Corporation**

**Non-consolidated Statements of Cash Flows**

**For the years ended December 31, 2011 and 2012**  
(Expressed in thousands of New Taiwan dollars and US dollars)

	2011 NT\$	2012 NT\$	US\$
<b>Cash flows from operating activities:</b>			
Net loss	(3,411,177)	(2,600,164)	(89,507)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation	95,470	76,806	2,644
Amortization	38,590	27,230	937
Change in allowance for bad debt and sales discounts	198,007	18,180	626
Amortization of bond issuance cost and discount on convertible bond	84,920	30,326	1,044
Change in provision for inventory obsolescence	1,836	(12,432)	(428)
Investment loss recorded under equity method, net	3,442,078	2,023,752	69,664
Cash dividends received from investments recorded under the equity method	518,751	144,874	4,987
Loss (gain) on disposal of property, plant and equipment, net	(910)	1,960	67
Loss on disposal of investments, net	471,706	-	-
Amortization of deferred gain on sale-and-leaseback transaction	(109,176)	(109,176)	(3,758)
Other investment loss (gain)	12,514	(1,982)	(68)
Differences in accounts in the accompanying balance sheets:			
Financial assets and liabilities at fair value through profit or loss	374,479	(7,473)	(257)
Accounts receivable	217,788	(732,767)	(25,224)
Receivables from related parties	(1,793,745)	276,629	9,523
Other receivables	(263,506)	229,381	7,896
Other receivables from related parties	157,287	576,078	19,831
Inventories	(718,516)	(412,008)	(14,183)
Prepaid expenses and other current assets	(7,582)	(16,386)	(564)
Prepaid pension cost	1,715	2,425	83
Accounts payable	267,014	349,951	12,047
Accounts payable to related parties	6,935,638	1,657,724	57,065
Income tax payable	(132,075)	-	-
Accrued expenses and other current liabilities	(2,592,242)	(843,745)	(29,045)
Other payable to related parties	64,203	(58,339)	(2,008)
Deferred inter-company profit	(64,199)	(12,428)	(428)
<b>Net cash provided by operating activities</b>	<u>3,788,868</u>	<u>608,416</u>	<u>20,944</u>
<b>Cash flows from investing activities:</b>			
Proceeds from disposal of investments	1,221,753	-	-
Proceeds from investees' capital reduction	3,668	3,574	123
Additions to property, plant and equipment	(69,673)	(44,171)	(1,521)
Proceeds from disposal of property, plant and equipment	15,051	5,010	172
Increase in restricted deposit	-	(772,339)	(26,586)
Decrease in refundable deposit	32,697	1,784	61
Increase in intangible assets and deferred assets	(41,247)	(41,383)	(1,424)
Decrease in loan receivables from related parties	505,491	973,033	33,495
<b>Net cash provided by investing activities</b>	<u>1,667,740</u>	<u>125,508</u>	<u>4,320</u>
<b>Cash flows from financing activities:</b>			
Increase (decrease) in short-term borrowings	3,710,654	(3,302,750)	(113,692)
Redemption of bonds	-	(120,900)	(4,162)
Increase in long-term debt	4,271,750	7,720,390	265,762
Decrease in long-term debt	(8,798,790)	(8,828,730)	(303,915)
Decrease in deposits in	-	(460)	(15)
Distribution of cash dividends	(964,108)	-	-
<b>Net cash used in financing activities</b>	<u>(1,780,494)</u>	<u>(4,532,450)</u>	<u>(156,022)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	3,676,114	(3,798,526)	(130,758)
<b>Cash and cash equivalents at beginning of period</b>	465,513	4,141,627	142,569
<b>Cash and cash equivalents at end of period</b>	<u>4,141,627</u>	<u>343,101</u>	<u>11,811</u>
<b>Additional disclosure of cash flow information:</b>			
Cash paid during the year for:			
Interest	<u>522,436</u>	<u>520,693</u>	<u>17,924</u>
Income taxes	<u>109,857</u>	<u>1,839</u>	<u>63</u>
<b>Supplemental disclosure of non-cash investing and financing activities:</b>			
Increase (decrease) in cumulative translation adjustment	<u>645,187</u>	<u>(489,705)</u>	<u>(16,857)</u>
Adjustments of net equity of investee companies	<u>111,909</u>	<u>(177,608)</u>	<u>(6,114)</u>
Changes in unrealized loss on available-for-sale financial assets	<u>(466,294)</u>	<u>39,561</u>	<u>1,362</u>
Changes in available-for-sale financial assets in investee accounted for under long-term equity investments	<u>(51,829)</u>	<u>64,277</u>	<u>2,213</u>

See accompanying notes to non-consolidated financial statements.

(Note: Translation of New Taiwan dollar amounts into U.S. dollar amounts is included in the non-consolidated financial statements solely for the convenience of the readers, using the noon buying rate of the Federal Reserve Bank in New York on December 31, 2012, of NT\$29.05 to US\$1 uniformly for all the financial statements accounts.)