

Qisda Corporation

(Formerly BenQ Corporation)

Q3 2007 Brief

October 23, 2007

Qisda

Overview

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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.

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Qisda Company Profile

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Qisda Company Profile (1)

Qisda is an ODM/EMS provider headquartered in Taiwan, with 5 manufacturing sites world-wide; and currently ranked globally among top 5 manufacturers in LCD monitors, projectors, and multifunction printers.

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Qisda Company Profile (2)

- Spectrum of product lines
 - ◆ LCD monitor
 - ◆ LCD TV
 - ◆ Projector
 - ◆ SPC (scanner / printer / copier)
 - ◆ Mobile Phones
 - ◆ Infotainment Solutions (car infotainment displays and a variety of portable devices)

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Qisda Company Profile (3)

- Global manufacturing sites
 - ◆ Taiwan
 - ◆ China (Suzhou & Shanghai)
 - ◆ Czech Republic
 - ◆ Mexico

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Qisda Company Profile (4)

- Core competency
 - ◆ Innovative design capability offering multiple 4C product lines.
 - ◆ High quality & flexible global manufacturing.
 - ◆ In-house & intra-group vertical integration including:
 - Surface-mount technology (SMT)
 - Metal stamping
 - Plastic injection
 - LCD module assembling

Please refer to www.qisda.com for more details about Qisda

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Q3 Business Summary

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Q3 Business Summary

- Further improvement in top line and net income.
- QoQ growth rate of ODM/EMS business was 17%, and main contributors were:
 - ◆ LCD monitor, due to increased volume and average selling price
 - ◆ SPC, due to introduction of new projects.
 - ◆ Projector, due to seasonal demands.
- The bulk of “end-of-life” mobile phone inventories have been cleared.

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Q3 Key Financial Events

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Q3 Key Financial Events (1)

- Spin-off of BenQ brand business, and BenQ Corporation was re-named Qisda Corporation on 1st September 2007 to position itself as pure ODM/EMS provider.
 - ◆ Q3 financial figures exclude September 2007 figures of brand business.
 - ◆ Establish brand business under BenQ Asia Pacific Corp which was re-named BenQ Corporation, and wholly (100%) owned by Qisda.

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Q3 Key Financial Events (2)

- Capital reduction exercise, resulting in change of paid-in capital from NTD 25.6 billion to NTD 15.4 billion.
 - ◆ Diluted EPS and net worth per share for Q2 in this presentation are adjusted retroactively to provide a comparable basis for Q2 and Q3 financial figures.
- Sold two office buildings and L-T investments (Darfon and Raydium).
 - ◆ Resulting in non-operating profit and positive cash flow.

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Q3 Financial Highlights

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Q3 Income Statement QoQ Analysis

Amount : NT\$ Billion Except
EPS Data

	Q2 2007		Q3 2007	
	Value	%	Value	%
Net Sales	32.37	100.0%	36.58	100.0%
Cost of Goods Sold	(30.49)	(94.2%)	(34.13)	(93.3%)
Gross Profit	1.88	5.8%	2.44	6.7%
Operating Expenses	(3.79)	(11.7%)	(3.84)	(10.5%)
Operating Income	(1.91)	(5.9%)	(1.39)	(3.8%)
Net Non-op Items	2.52	7.8%	4.29	11.7%
Income before Tax	0.61	1.9%	2.90	7.9%
Income Tax	(0.04)	(0.1%)	(0.07)	(0.2%)
Net Income	0.57	1.8%	2.83	7.7%
Fully Diluted EPS (NT\$)	0.37		1.84	
Net Worth per Share (NT\$)	11.52		13.66	

- Operating loss as a result of final clearing and write-off of "end-of-life" mobile phone inventories.
- Non-operating items from gains & disposal of long-term investments and sale of Office Buildings.

Core business unaudited consolidated results.
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Q3 Balance Sheet Highlights

Amount: NT \$ Billion

	Q2 2007		Q3 2007		QoQ Change
	Value	%	Value	%	
Cash & Equivalent	9.04	9.2%	6.88	7.0%	-2.16
Accounts Receivable	16.84	17.2%	22.64	23.2%	5.80
Inventories	19.24	19.6%	11.65	11.9%	-7.60
L-T Investments	31.22	31.8%	38.47	39.4%	7.24
Total Assets	98.03	100.0%	97.67	100.0%	-0.36
Debt	43.62	44.5%	42.71	43.7%	-0.91
Accounts Payable	25.49	26.0%	26.33	27.0%	0.83
Total Liabilities	80.34	82.0%	76.70	78.5%	-3.64
Equities	17.69	18.0%	20.97	21.5%	3.29

- Change in Cash, Accounts Receivable and Inventory are mainly due to the spin-off exercise.
- Increase in L-T Investments is the result of Spin-off BenQ brand business and gains from long-term investments.

Core business unaudited consolidated results.
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Q3 Key Financial Ratios

	<u>Q2 2007</u>	<u>Q3 2007</u>
A/R Turnover	44 days	57 days
Inventory Turnover	50 days	35 days
A/P Turnover	78 days	79 days
ROA	0.6%	2.9%
ROE	3.2%	14.6%
Current ratio	102.7%	97.9%
Debt / Total Assets	44.5%	43.7%

- *Change in A/R turnover and Inventory turnover are mainly due to the spin-off exercise.*

Core business unaudited consolidated results.

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Q4 Guidance

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Q4 Guidance (1)

ODM/EMS business outlook

- Business growth contributors:
 - ◆ LCD monitor, due to new projects
 - ◆ Projector, due to seasonal peak
 - ◆ LCD TV, due to new customers
- SPC – slower business momentum due to seasonality.
- Digital Photo Frame – new business commences

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Q4 Guidance (2)

- Mobile Communications – re-establish business with new products and new customers.

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Qisda Corporation.
Unaudited Core Business Consolidated Balance Sheet
SEP. 30, 2007

UNIT : NT\$K

Assets			Liabilities & stockholders' equity		
Current assets :			Liabilities		
Cash & cash equivalent	6,882,221	7.0%	Short term borrowings	12,724,449	13.0%
Assigned financial asset measured at fair value - current	0	0.0%	N/P & A/P	18,239,512	18.7%
Net notes and accounts receivable	9,001,904	9.2%	N/P & A/P to related parties	8,086,065	8.3%
N/R & A/R from related parties	13,639,263	14.0%	Bond payable	2,200,000	2.3%
Net inventories	11,645,052	11.9%	Accrued exp. & other current liab.	<u>6,392,422</u>	6.5%
Prepaid expenses & other current assets	<u>5,464,272</u>	5.6%	Total current liabilities	47,642,448	48.8%
Total current assets	46,632,713	47.7%	Long term loan	20,502,682	21.0%
Long term investments	38,465,076	39.4%	Bond payable	7,283,152	7.5%
Fixed assets :	16,789,822	17.2%	Other liabilities	<u>1,271,549</u>	1.3%
Less : Accumulated depreciation	<u>(6,181,475)</u>	6.3%	Total liabilities	<u>76,699,831</u>	78.5%
Total fixed assets	10,608,347	10.9%	Stockholder' equities		
Other assets	1,967,106	2.0%	Common stock	15,389,280	15.8%
			Capital surplus	4,785,052	4.9%
			Legal reserve	0	0.0%
			Unrealized gain or loss on financial product	<u>(124,228)</u>	-0.1%
			Retained earnings	314,284	0.3%
			Translation adjustment	686,552	0.7%
			Treasury stock	<u>(77,530)</u>	-0.1%
			Total stockholder' equities	<u>20,973,411</u>	21.5%
Total Assets	<u>\$ 97,673,242</u>	100.0%	Total Liabilities & stockholders' equity	<u>\$ 97,673,242</u>	100.0%

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Unaudited Core Business Consolidated Income Statement
JAN-SEP' 2007

UNIT : NT\$K

Net sales	\$ 98,400,958	100.0%
Cost of goods sold	<u>(91,385,841)</u>	-92.9%
Gross profit	<u>7,015,117</u>	7.1%
Operating expense :		
S & M	<u>(6,780,733)</u>	-6.9%
G & A	<u>(1,875,684)</u>	-1.9%
R & D	<u>(2,741,746)</u>	-2.8%
Total Operating expense	<u>(11,398,163)</u>	-11.6%
Operating income (loss)	<u>(4,383,046)</u>	-4.5%
Non-operating in net income(loss)	<u>6,139,996</u>	6.2%
Earning Before income tax	1,756,950	1.8%
Income tax	<u>(116,318)</u>	-0.1%
Minority interest in net income (loss)	<u>0</u>	0.0%
Profit after tax	<u>\$1,640,631</u>	1.7%

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