

THINFLEX CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(Expressed in thousands of New Taiwan dollars)

Assets	31-Dec-14		31-Dec-13		
	AMOUNT	%	AMOUNT	%	
Current Assets					
1100	Cash and cash equivalents	\$ 494,480	15	\$ 340,224	13
1150	Notes receivable, net	364,281	11	196,497	8
1170	Accounts receivable, net	850,971	27	707,129	27
1180	Accounts receivable-net-related parties	8,150	-	892	-
1200	Other receivables	4,491	-	4,336	-
1210	Other receivables-related parties	1,183	-	1,959	-
130X	Inventories	232,976	7	207,491	8
1410	Prepayments	26,618	1	7,563	-
1479	Other current assets	422,721	13	264,641	10
11XX	Total Current Assets	\$ 2,405,871	74	\$ 1,730,732	66
Non-current Assets					
1600	Property, plant and equipment	681,787	21	731,860	28
1780	Intangible assets	1,801	-	1,521	-
1840	Deferred income tax assets	26,687	1	67,583	2
1915	Prepayments for equipment	47,801	2	32,949	1
1920	Refundable deposits	8,299	-	7,001	-
1985	Long-term prepaid rents	15,085	1	14,911	1
1900	Other non-current assets	44,889	1	53,619	2
15XX	Total Non-current Assets	826,349	26	909,444	34
1XXX	Total Assets	\$ 3,232,220	100	\$ 2,640,176	100

THINFLEX CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(Expressed in thousands of New Taiwan dollars)

	31-Dec-14		31-Dec-13	
	AMOUNT	%	AMOUNT	%
Liabilities and Equity				
Current Liabilities				
2100	\$ 1,004,315	31	\$ 490,169	19
2120				
	8,584	-	-	-
2150	2,455	-	25,439	1
2170	162,751	5	160,856	6
2180	158,034	5	26,699	1
2200	148,264	5	173,152	7
2230	5,217	-	-	-
2250	16,750	1	13,400	-
2320	142,143	4	196,346	7
2399	777	-	899	-
21XX	<u>1,649,290</u>	<u>51</u>	<u>1,086,960</u>	<u>41</u>
Non-current Liabilities				
2540	139,771	4	197,425	8
2600	26,237	1	32,259	1
25XX	<u>166,008</u>	<u>5</u>	<u>229,684</u>	<u>9</u>
2XXX	<u>1,815,298</u>	<u>56</u>	<u>1,316,644</u>	<u>50</u>
Equity Attributable to Owners of The Parent				
3110	1,006,378	31	1,006,378	38
3310	32,484	1	10,655	-
3350	312,138	10	252,281	10
3400	24,338	1	8,610	-
31XX	<u>1,375,338</u>	<u>43</u>	<u>1,277,924</u>	<u>48</u>
36XX	41,584	1	45,608	2
3XXX	<u>1,416,922</u>	<u>44</u>	<u>1,323,532</u>	<u>50</u>
	<u>\$ 3,232,220</u>	<u>100</u>	<u>\$ 2,640,176</u>	<u>100</u>

THINFLEX CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Expressed in thousands of New Taiwan dollars, except earnings per share)

Items	2014		2013	
	AMOUNT	%	AMOUNT	%
4000 Operating Revenue	\$ 2,000,679	100	\$ 1,556,661	100
5000 Operating Costs	(1,511,201)	(75)	(1,145,264)	(74)
5950 Net operating margin	489,478	25	411,397	26
Operating Expenses				
6100 Selling expenses	(56,421)	(3)	(64,759)	(4)
6200 General & administrative expenses	(100,237)	(5)	(88,260)	(6)
6300 Research and development expenses	(38,661)	(2)	(34,238)	(2)
6000 Total Operating Expenses	(195,319)	(10)	(187,257)	(12)
6900 Operating Profit	294,159	15	224,140	14
Non-operating Income and Expenses				
7010 Other income	19,700	1	14,835	1
7020 Other gains and losses	(4,668)	-	24,308	2
7050 Financial costs	(29,843)	(2)	(23,626)	(2)
7000 Total Non-operating Income and Expenses	(14,811)	(1)	15,517	1
7900 Profit before Income Tax	279,348	14	239,657	15
7950 Income tax expense	(46,857)	(3)	(17,035)	(1)
8200 Profit For the Period	\$ 232,491	11	\$ 222,622	14
Other Comprehensive Income (Loss)				
8310 Exchange differences arising on translation of foreign operations	\$ 17,179	1	\$ 21,986	2
8500 Total Comprehensive Income for the Period	\$ 249,670	12	\$ 244,608	16
Profit Attributable to :				
8610 Owners of the parent	\$ 232,642	11	\$ 218,285	14
8620 Non-controlling interests	(151)	-	4,337	-
	\$ 232,491	11	\$ 222,622	14
Comprehensive Income Attributable to:				
8710 Owners of the parent	\$ 248,370	12	\$ 236,747	15
8720 Non-controlling interests	1,300	-	7,861	1
	\$ 249,670	12	\$ 244,608	16
Earnings Per Share(in dollars)				
9750 Basic earnings per share	\$ 2.31		\$ 2.17	
9850 Diluted earnings per share	\$ 2.29		\$ 2.15	

THINFLEX CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in thousands of New Taiwan dollars)

Equity attributable to owners of the parent

	Retained earnings		Other equity interest		Non-controlling interest	Total equity
	Share capital - common stock	Legal reserve	Unappropriated retained earnings	Currency translation differences of foreign operations		
Balance at January 1, 2013	\$ 927,537	\$ -	\$ 139,670	\$ (9,852)	\$ 37,747	\$ 1,095,102
Distribution of 2012 consolidated net income:						
Legal reserve	-	10,655	(10,655)	-	-	-
Cash dividends	-	-	(13,913)	-	-	-
Stock dividends	78,841	-	(78,841)	-	-	(13,913)
Effect on Long-term Equity Investment Not Shareholding Percentage	-	-	(2,265)	-	-	(2,265)
Net income for 2013	-	-	218,285	-	4,337	222,622
Other comprehensive income for 2013	-	-	-	18,462	3,524	21,986
Balance at December 31, 2013	\$ 1,006,378	\$ 10,655	\$ 252,281	\$ 8,610	\$ 45,608	\$ 1,323,532
Balance at January 1, 2014	\$ 1,006,378	\$ 10,655	\$ 252,281	\$ 8,610	\$ 45,608	\$ 1,323,532
Distribution of 2013 consolidated net income:						
Legal reserve	-	21,829	(21,829)	-	-	-
Cash dividends	-	-	(150,956)	-	-	(150,956)
Net income for 2014	-	-	232,642	-	(151)	232,491
Other comprehensive income for 2014	-	-	-	15,728	1,451	17,179
Decrease in non-controlling interests	-	-	-	-	(5,324)	(5,324)
Balance at December 31, 2014	\$ 1,006,378	\$ 32,484	\$ 312,138	\$ 24,338	\$ 41,584	\$ 1,416,922

THINFLEX CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

(Expressed in thousands of New Taiwan dollars)

	2014	2013
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Profit before tax	\$ 279,348	\$ 239,657
Adjustments for		
Income and expenses having no effect on cash flows		
Net loss (gain) on financial assets/liabilities at fair value through profit or loss	18,314	(1,187)
Provision for doubtful accounts(Reversal of allowance for doubtful accounts)	(1,346)	6,075
Depreciation expense	149,989	98,880
Loss on disposal of property, plant and equipment	1,382	1,467
Amortization expense	870	894
Rent- long-term prepaid rents	356	349
Amortization-other non-current assets	2,511	2,511
Interest income	(7,434)	(4,444)
Interest expense	29,843	23,626
Changes in assets/liabilities relating to operating activities		
Net changes in assets relating to operating activities		
Notes receivable	(160,642)	(83,060)
Accounts receivable	(124,615)	(41,410)
Accounts receivable- related parties	(7,259)	(682)
Other receivables	424	(816)
Other receivables- related parties	776	(1,093)
Inventories	(21,865)	13,386
Prepayments	(18,859)	1,907
Other current assets	(26)	-
Net changes in liabilities relating to operating activities		
Financial assets/liabilities at fair value through profit or loss	(9,730)	2,956
Notes payable	(22,984)	23,577
Accounts payable	1,123	(21,206)
Accounts payable- related parties	131,335	(7,367)
Other payables	(2,822)	62,021
Current provision	3,168	891
Other current liabilities	(127)	110
Cash generated from operations	241,730	317,042
Interest received	6,903	3,667
Interest paid	(28,566)	(22,076)
Income tax paid	(77)	-
Net cash provided by operating activities	\$ 219,990	\$ 298,633

THINFLEX CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

(Expressed in thousands of New Taiwan dollars)

	<u>2014</u>	<u>2013</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Increase in other financial-current	\$ (148,436)	\$ (166,801)
Cash paid for acquisition of property, plant and equipment	(103,210)	(218,776)
Cash paid for intangible assets	(1,227)	(734)
Cash paid for prepayments for equipment	(30,822)	(36,075)
Refundable deposits paid	(1,187)	(537)
Decrease in other financial-non-current	5,537	5,021
Cash paid for solar energy equipment	(5,954)	(5,838)
Decrease(increase) in other non-current assets	747	(457)
Net cash used in investing activities	<u>\$ (284,552)</u>	<u>\$ (424,197)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Increase in short-term borrowings	\$ 498,416	\$ 215,833
Increase in long-term borrowings	132,963	411,528
Decrease in long-term borrowings	(247,681)	(392,605)
Cash dividends of ordinary share	(150,956)	(13,913)
Cash dividends of preference share	-	(11,165)
Change in non-controlling interests	(1,296)	3,524
Net cash provided by financing activities	<u>231,446</u>	<u>213,202</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(12,628)</u>	<u>(24,163)</u>
INCREASE IN CASH AND CASH EQUIVALENTS	154,256	63,475
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	340,224	276,749
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>\$ 494,480</u>	<u>\$ 340,224</u>