

THINFLEX CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(Expressed in thousands of New Taiwan dollars)

	Assets	30-Jun-15		30-Jun-14	
		AMOUNT	%	AMOUNT	%
Current Assets					
1100	Cash and cash equivalents	\$ 662,751	22	\$ 332,380	12
1110	Financial assets at fair value through profit or loss- current	-	-	1,168	-
1150	Notes receivable, net	327,613	11	300,848	11
1170	Accounts receivable, net	760,100	26	707,566	26
1180	Accounts receivable-net-related parties	7,439	-	2660	-
1200	Other receivables	3,251	-	4,078	-
1210	Other receivables-related parties	1,067	-	1,189	-
130X	Inventories	278,235	9	262,845	9
1410	Prepayments	29,218	1	23,743	1
1479	Other current assets	156,398	5	233,194	8
11XX	Total Current Assets	\$ 2,226,072	74	\$ 1,869,671	67
Non-current Assets					
1600	Property, plant and equipment	673,224	22	714,154	26
1780	Intangible assets	1,754	-	2,126	-
1840	Deferred income tax assets	29,384	1	54,880	2
1915	Prepayments for equipment	12,580	-	54,294	2
1920	Refundable deposits	8,744	-	9,445	-
1985	Long-term prepaid rents	14,535	1	14,404	1
1900	Other non-current assets	44,241	2	50,792	2
15XX	Total Non-current Assets	784,462	26	900,095	33
1XXX	Total Assets	\$ 3,010,534	100	\$ 2,769,766	100

THINFLEX CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	30-Jun-15		30-Jun-14	
		AMOUNT	%	AMOUNT	%
Current Liabilities					
2100	Short-term borrowings	\$ 678,785	22	\$ 568,773	21
2120	Financial liabilities at fair value through profit or loss- current	809	-	-	-
2150	Notes payable	539	-	5,498	-
2170	Accounts payable	206,202	7	201,270	7
2180	Accounts payable- related parties	85,704	3	53,619	2
2200	Other payables	354,987	12	298,065	11
2230	Income tax payable	24,718	1	-	-
2250	Current provisions	16,703	1	14,993	1
2320	Long-term liabilities, current portion	135,428	4	114,310	4
2399	Other current liabilities, others	985	-	1,554	-
21XX	Total Current Liabilities	1,504,860	50	1,258,082	46
Non-current Liabilities					
2540	Long-term borrowings	197,831	6	226,775	8
2600	Other non-current liabilities	23,235	1	29,461	1
25XX	Total Non-current liabilities	221,066	7	256,236	9
2XXX	Total Liabilities	1,725,926	57	1,514,318	55
Equity Attributable to Owners of The Parent					
3110	Common stock	1,006,378	33	1,006,378	36
Retained earnings					
3310	Legal reserve	55,748	2	32,484	1
3350	Unappropriated retained earnings	202,472	7	177,926	7
3400	Other equity interest	20,010	1	(15)	-
31XX	Total Equity Attributable to Owners of The Parent	1,284,608	43	1,216,773	44
36XX	Non-controlling interests	-	-	38,675	1
3XXX	Total Equity	1,284,608	43	1,255,448	45
3X2X	Total Liabilities and Equity	\$ 3,010,534	100	\$ 2,769,766	100

THINFLEX CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

Items	For the six-month periods ended June 30			
	2015		2014	
	Amount	%	Amount	%
4000 Operating Revenue	\$ 937,056	100	\$ 847,789	100
5000 Operating Costs	(725,205)	(77)	(621,509)	(73)
5950 Net operating margin	211,851	23	226,280	27
Operating Expenses				
6100 Selling expenses	(31,432)	(3)	(24,640)	(3)
6200 General & administrative expenses	(45,664)	(5)	(48,240)	(6)
6300 Research and development expenses	(24,289)	(3)	(17,716)	(2)
6000 Total Operating Expenses	(101,385)	(11)	(90,596)	(11)
6900 Operating Profit	110,466	12	135,684	16
Non-operating Income and Expenses				
7010 Other income	7,717	1	9,501	1
7020 Other gains and losses	(11,550)	(1)	(16,380)	(2)
7050 Finance costs	(13,755)	(2)	(14,335)	(2)
7000 Total Non-operating Income and Expenses	(17,588)	(2)	(21,214)	(3)
7900 Profit before Income Tax	92,878	10	114,470	13
7950 Income tax expense	(20,860)	(3)	(16,761)	(2)
8200 Profit For the Period	\$ 72,018	7	\$ 97,709	11
Other Comprehensive Income (Loss)				
Components of other comprehensive income that will be reclassified to profit or loss				
8361 Exchange differences arising on translation of foreign operations	\$ (11,874)	(1)	\$ (9,513)	(1)
8500 Total Comprehensive Income for the Period	\$ 60,144	6	\$ 88,196	10
Profit Attributable to :				
8610 Owners of the parent	\$ 71,873	7	\$ 98,430	11
8620 Non-controlling interests	145	-	(721)	-
	\$ 72,018	7	\$ 97,709	11
Comprehensive Income Attributable to:				
8710 Owners of the parent	\$ 61,288	6	\$ 89,805	10
8720 Non-controlling interests	(1,144)	-	(1,609)	-
	\$ 60,144	6	\$ 88,196	10
Earnings Per Share(in dollars)				
9750 Basic earnings per share	\$	0.71	\$	0.98
9850 Diluted earnings per share	\$	0.71	\$	0.97



THINFLEX CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in thousands of New Taiwan dollars)

	For the six-month periods ended June 30	
	2015	2014
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Profit before tax	\$ 92,878	\$ 114,470
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	(3,041)	31
Provision for doubtful accounts(Reversal of allowance		
for doubtful accounts)	2,184	(1,478)
Depreciation expense	82,432	71,359
Loss on disposal of property, plant and equipment	1,186	512
Amortization expense	510	451
Rent- long-term prepaid rents	181	177
Amortization-other non-current assets	1,255	1,255
Interest income	(2,935)	(2,783)
Interest expense	13,755	14,335
Changes in assets/liabilities relating to operating activities		
Net changes in assets relating to operating activities		
Financial assets/liabilities at fair value through profit or loss	(4,734)	(1,199)
Notes receivable	27,735	(108,733)
Accounts receivable	74,533	(14,088)
Accounts receivable- related parties	711	(1,768)
Other receivables	(147)	(495)
Other receivables- related parties	116	770
Inventories	(48,167)	(57,576)
Prepayments	(3,037)	(16,300)
Other current assets	(7)	(24)
loss		
Notes payable	(1,916)	(19,941)
Accounts payable	44,041	40,890
Accounts payable- related parties	(72,330)	26,920
Other payables	3,541	(7,025)
Current provision	119	1,704
Other current liabilities	208	658
Cash generated from operations	<u>209,071</u>	<u>42,122</u>
Interest received	4,265	3,530
Interest paid	(15,828)	(14,334)
Income tax paid	(4,514)	-
Net cash provided by operating activities	<u>\$ 192,994</u>	<u>\$ 31,318</u>

THINFLEX CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in thousands of New Taiwan dollars)

For the six-month periods ended June 30

	<u>2015</u>	<u>2014</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Decrease in other financial-current	\$ 256,061	\$ 25,570
Cash paid for acquisition of property, plant and equipment	(9,479)	(34,311)
Cash paid for intangible assets	(464)	(1,056)
Cash paid for prepayments for equipment	(21,386)	(63,066)
Refundable deposits paid	(557)	(2,512)
Decrease in other financial assets - non-current	-	1,537
Cash paid for solar energy equipment	(3,072)	(2,768)
Increase in other non-current assets	(630)	(5)
Net cash used in investing activities	<u>\$ 220,473</u>	<u>\$ (76,611)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
(Decrease) increase in short-term borrowings	\$ (305,692)	\$ 88,311
Increase in long-term borrowings	113,669	36,741
Decrease in long-term borrowings	(62,323)	(87,662)
Change in non-controlling interests	-	(3,635)
Net cash provided by financing activities	<u>(254,346)</u>	<u>33,755</u>
Effect of exchange rate changes on cash and cash equivalents	<u>9,150</u>	<u>3,694</u>
INCREASE IN CASH AND CASH EQUIVALENTS	168,271	(7,844)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>494,480</u>	<u>340,224</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>\$ 662,751</u>	<u>\$ 332,380</u>

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

	Equity attributable to owners of the parent						Non-controlling interest	Total equity
	Share capital - common stock	Retained earnings		Other equity interest		Total		
		Legal reserve	Unappropriated retained earnings	Currency translation differences of foreign operations				
<u>For the Six-month periods ended June 30, 2014</u>								
Balance at January 1, 2014	\$ 1,006,378	\$ 10,655	\$ 252,281	\$ 8,610	\$ 1,277,924	\$ 45,608	\$ 1,323,532	
Distribution of 2013 consolidated net income:								
Legal reserve	-	21,829	(21,829)	-	-	-	-	
Cash dividends	-	-	(150,956)	-	(150,956)	-	(150,956)	
Net income for the period	-	-	98,430	-	98,430	(721)	97,709	
Other comprehensive income for the period	-	-	-	(8,625)	(8,625)	(888)	(9,513)	
Decrease in non-controlling interests	-	-	-	-	-	(5,324)	(5,324)	
Balance at June 30, 2014	\$ 1,006,378	\$ 32,484	\$ 177,926	\$ (15)	\$ 1,216,773	\$ 38,675	\$ 1,255,448	
<u>For the Six-month periods ended June 30, 2015</u>								
Balance at January 1, 2015	\$ 1,006,378	\$ 32,484	\$ 312,138	\$ 24,338	\$ 1,375,338	\$ 41,584	\$ 1,416,922	
Distribution of 2014 consolidated net income:								
Legal reserve	-	23,264	(23,264)	-	-	-	-	
Cash dividends	-	-	(150,956)	-	(150,956)	-	(150,956)	
Net income for the period	-	-	71,873	-	71,873	145	72,018	
Other comprehensive income for the period	-	-	-	(10,585)	(10,585)	(1,289)	(11,874)	
Difference between consideration and carrying amount of non-controlling interests acquired	-	-	(7,319)	6,257	(1,062)	-	(1,062)	
Decrease in non-controlling interests	-	-	-	-	-	(40,440)	(40,440)	
Balance at June 30, 2015	\$ 1,006,378	\$ 55,748	\$ 202,472	\$ 20,010	\$ 1,284,608	\$ -	\$ 1,284,608	

