

THINFLEX CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(Expressed in thousands of New Taiwan dollars)

Assets	31-Dec-15		31-Dec-14	
	AMOUNT	%	AMOUNT	%
Current Assets				
1100 Cash and cash equivalents	\$ 318,528	13	\$ 494,480	15
1150 Notes receivable, net	113,556	5	364,281	11
1170 Accounts receivable, net	807,911	33	850,971	27
1180 Accounts receivable-net-related parties	6,749	-	8,150	-
1200 Other receivables	2,740	-	4,491	-
1210 Other receivables-related parties	825	-	1,183	-
130X Inventories	275,570	11	232,976	7
1410 Prepayments	29,095	1	26,618	1
1479 Other current assets	138,367	6	422,721	13
11XX Total Current Assets	\$ 1,693,341	69	\$ 2,405,871	74
Non-current Assets				
1600 Property, plant and equipment	648,656	26	681,787	21
1780 Intangible assets	1,650	-	1,801	-
1840 Deferred income tax assets	26,898	1	26,687	1
1915 Prepayments for equipment	27,504	1	47,801	2
1920 Refundable deposits	11,380	-	8,299	-
1985 Long-term prepaid rents	14,583	1	15,085	1
1900 Other non-current assets	46,962	2	44,889	1
15XX Total Non-current Assets	777,633	31	826,349	26
1XXX Total Assets	\$ 2,470,974	100	\$ 3,232,220	100

THINFLEX CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(Expressed in thousands of New Taiwan dollars)

	31-Dec-15		31-Dec-14	
	AMOUNT	%	AMOUNT	%
Liabilities and Equity				
Current Liabilities				
2100 Short-term borrowings	\$ 349,989	14	\$ 1,004,315	31
2120 Financial liabilities at fair value through profit or loss- current	-	-	8,584	-
2150 Notes payable	14,732	1	2,455	-
2170 Accounts payable	180,650	7	162,751	5
2180 Accounts payable- related parties	133,299	5	158,034	5
2200 Other payables	163,435	7	148,264	5
2230 Income tax payable	38,182	2	5,217	-
2250 Current provisions	21,785	1	16,750	1
2320 Long-term liabilities, current portion	10,000	-	142,143	4
2399 Other current liabilities, others	1,435	-	777	-
21XX Total Current Liabilities	<u>913,507</u>	<u>37</u>	<u>1,649,290</u>	<u>51</u>
Non-current Liabilities				
2540 Long-term borrowings	192,500	8	139,771	4
2600 Other non-current liabilities	20,288	1	26,237	1
25XX Total Non-current liabilities	<u>212,788</u>	<u>9</u>	<u>166,008</u>	<u>5</u>
2XXX Total Liabilities	<u>1,126,295</u>	<u>46</u>	<u>1,815,298</u>	<u>56</u>
Equity Attributable to Owners of The Parent				
3110 Common stock	1,006,378	41	1,006,378	31
Retained earnings				
3310 Legal reserve	55,748	2	32,484	1
3350 Unappropriated retained earnings	255,067	10	312,138	10
3400 Other equity interest	27,486	1	24,338	1
31XX Total Equity Attributable to Owners of The Parent	<u>1,344,679</u>	<u>54</u>	<u>1,375,338</u>	<u>43</u>
36XX Non-controlling interests	-	-	41,584	1
3XXX Total Equity	<u>1,344,679</u>	<u>54</u>	<u>1,416,922</u>	<u>44</u>
3X2X Total Liabilities and Equity	<u>\$ 2,470,974</u>	<u>100</u>	<u>\$ 3,232,220</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	2015		2014	
	AMOUNT	%	AMOUNT	%
4000 Operating Revenue	\$ 2,011,313	100	\$ 2,000,679	100
5000 Operating Costs	(1,595,940)	(79)	(1,511,201)	(75)
5950 Net operating margin	415,373	21	489,478	25
Operating Expenses				
6100 Selling expenses	(75,904)	(4)	(56,421)	(3)
6200 General & administrative expenses	(90,973)	(5)	(100,237)	(5)
6300 Research and development expenses	(49,560)	(2)	(38,661)	(2)
6000 Total Operating Expenses	(216,437)	(11)	(195,319)	(10)
6900 Operating Profit	198,936	10	294,159	15
Non-operating Income and Expenses				
7010 Other income	13,645	1	19,700	1
7020 Other gains and losses	(27,656)	(2)	(4,668)	-
7050 Finance costs	(23,155)	(1)	(29,843)	(2)
7000 Total Non-operating Income and Expenses	(37,166)	(2)	(14,811)	(1)
7900 Profit before Income Tax	161,770	8	279,348	14
7950 Income tax expense	(37,157)	(2)	(46,857)	(3)
8200 Profit For the Period	\$ 124,613	6	\$ 232,491	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	\$ (4,398)	-	\$ 17,179	1
8500 Total Comprehensive Income for the Period	\$ 120,215	6	\$ 249,670	12
Profit Attributable to :				
8610 Owners of the parent	\$ 124,468	6	\$ 232,642	11
8620 Non-controlling interests	145	-	(151)	-
	\$ 124,613	6	\$ 232,491	11
Comprehensive Income Attributable to:				
8710 Owners of the parent	\$ 121,359	6	\$ 248,370	12
8720 Non-controlling interests	(1,144)	-	1,300	-
	\$ 120,215	6	\$ 249,670	12
Earnings Per Share(in dollars)				
9750 Basic earnings per share	\$	1.24	\$	2.31
9850 Diluted earnings per share	\$	1.23	\$	2.29

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	Unappropriated retained earnings	Other equity interest Currency translation differences of foreign operations	Total		
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 2014	-	-	232,642	-	232,642	(151)	232,491
Other comprehensive income for 2014	-	-	-	15,728	15,728	1,451	17,179
Changes in non-controlling interests	-	-	-	-	-	(5,324)	(5,324)
Balance at December 31, 2014	<u>\$ 1,006,378</u>	<u>\$ 32,484</u>	<u>\$ 312,138</u>	<u>\$ 24,338</u>	<u>\$ 1,375,338</u>	<u>\$ 41,584</u>	<u>\$ 1,416,922</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 2015	-	-	124,468	-	124,468	145	124,613
Other comprehensive income for 2015	-	-	-	(3,109)	(3,109)	(1,289)	(4,398)
Changes in non-controlling interests	-	-	(7,319)	6,257	(1,062)	(40,440)	(41,502)
Balance at December 31, 2015	<u>\$ 1,006,378</u>	<u>\$ 55,748</u>	<u>\$ 255,067</u>	<u>\$ 27,486</u>	<u>\$ 1,344,679</u>	<u>\$ 0</u>	<u>\$ 1,344,679</u>

THINFLEX CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

(Expressed in thousands of New Taiwan dollars)

	2015	2014
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Profit before tax	\$ 161,770	\$ 279,348
Adjustments for		
Income and expenses having no effect on cash flows		
Net loss on financial assets/liabilities at fair value through profit or loss	841	18,314
Provision for doubtful accounts(Reversal of allowance for doubtful accounts)	6,196	(1,346)
Depreciation expense	167,509	149,989
Loss on disposal of property, plant and equipment	1,493	1,382
Amortization expense	914	870
Rent- long-term prepaid rents	366	356
Amortization-other non-current assets	2,511	2,511
Interest income	(4,919)	(7,434)
Interest expense	23,155	29,843
Changes in assets/liabilities relating to operating activities		
Net changes in assets relating to operating activities		
Notes receivable	247,421	(160,642)
Accounts receivable	31,628	(124,615)
Accounts receivable- related parties	1,401	(7,259)
Other receivables	676	424
Other receivables- related parties	442	776
Inventories	(43,670)	(21,865)
Prepayments	(2,639)	(18,859)
Other current assets	(17)	(26)
Net changes in liabilities relating to operating activities		
Financial assets/liabilities at fair value through profit or loss	(9,430)	(9,730)
Notes payable	(2,173)	(22,984)
Accounts payable	18,121	1,123
Accounts payable- related parties	(24,735)	131,335
Other payables	8,845	(2,822)
Current provision	5,098	3,168
Other current liabilities	658	(127)
Cash generated from operations	591,462	241,730
Interest received	5,970	6,903
Interest paid	(25,598)	(28,566)
Income tax paid	(4,574)	(77)
Net cash provided by operating activities	\$ 567,260	\$ 219,990

THINFLEX CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

(Expressed in thousands of New Taiwan dollars)

	<u>2015</u>	<u>2014</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Decrease(increase) in other financial-current	\$ 280,572	\$ (148,436)
Cash paid for acquisition of property, plant and equipment	(64,350)	(103,210)
Cash paid for intangible assets	(847)	(1,227)
Cash paid for prepayments for equipment	(30,775)	(30,822)
Refundable deposits paid	(3,123)	(1,187)
(increase)Decrease in other financial-non-current	(4,000)	5,537
Cash paid for solar energy equipment	(6,145)	(5,954)
(increase)Decrease in other non-current assets	(593)	747
Net cash used in investing activities	<u>\$ 170,739</u>	<u>\$ (284,552)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Increase in short-term borrowings	\$ 1,457,737	\$ 1,521,118
Decrease in short-term borrowings	(2,104,611)	(1,022,702)
Increase in long-term borrowings	340,000	132,963
Decrease in long-term borrowings	(419,414)	(247,681)
Cash dividends of ordinary share	(150,956)	(150,956)
Acquisition of ownership interests in subsidiavies	(41,502)	(5,093)
Net cash provided by financing activities	<u>(918,746)</u>	<u>227,649</u>
Effect of exchange rate changes on cash and cash equivalents	<u>4,795</u>	<u>(8,831)</u>
(DECREASE)INCREASE IN CASH AND CASH EQUIVALENTS	(175,952)	154,256
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>\$ 318,528</u>	<u>\$ 494,480</u>