

THINFLEX CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(Expressed in thousands of New Taiwan dollars)

	Assets	30-Jun-2016		30-Jun-2015	
		Amount	%	Amount	%
Current Assets					
1100	Cash and cash equivalents	\$ 367,626	16	\$ 662,751	22
1150	Notes receivable, net	62,193	3	327,613	11
1170	Accounts receivable, net	764,063	33	760,100	26
1180	Accounts receivable-net-related parties	710	-	7,439	-
1200	Other receivables	2,814	-	3,251	-
1210	Other receivables-related parties	807	-	1,067	-
130X	Inventories	250,841	11	278,235	9
1410	Prepayments	34,668	1	29,218	1
1479	Other current assets	114,818	5	156,398	5
11XX	Total Current Assets	\$ 1,598,540	69	\$ 2,226,072	74
Non-current Assets					
1600	Property, plant and equipment	586,465	25	673,224	22
1780	Intangible assets	1,274	-	1,754	-
1840	Deferred income tax assets	29,543	1	29,384	1
1915	Prepayments for equipment	31,425	2	12,580	-
1920	Refundable deposits	7,766	-	8,744	-
1985	Long-term prepaid rents	13,839	1	14,535	1
1900	Other non-current assets	45,227	2	44,241	2
15XX	Total Non-current Assets	715,539	31	784,462	26
1XXX	Total Assets	\$ 2,314,079	100	\$ 3,010,534	100

THINFLEX CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(Expressed in thousands of New Taiwan dollars)

	30-Jun-2016		30-Jun-2015	
	Amount	%	Amount	%
Liabilities and Equity				
Current Liabilities				
2100	\$ 415,330	18	\$ 678,785	22
2120				
	-	-	809	-
2150	3,005	-	539	-
2170	174,745	7	206,202	7
2180	94,027	4	85,704	3
2200	222,781	10	354,987	12
2230	16,173	1	24,718	1
2250	21,737	1	16,703	1
2320	-	-	135,428	4
2399	853	-	985	-
21XX	948,651	41	1,504,860	50
Non-current Liabilities				
2540	80,000	3	197,831	6
2600	17,530	1	23,235	1
25XX	97,530	4	221,066	7
2XXX	1,046,181	45	1,725,926	57
Equity Attributable to Owners of The				
Parent				
3110	1,006,378	44	1,006,378	33
3310	68,195	3	55,748	2
3350	182,572	8	202,472	7
3400	10,753	-	20,010	1
31XX	1,267,898	55	1,284,608	43
36XX	-	-	-	-
3XXX	1,267,898	55	1,284,608	43
3X2X	\$ 2,314,079	100	\$ 3,010,534	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			
	2016		2015	
	Amount	%	Amount	%
4000 Operating Revenue	\$ 985,467	100	\$ 937,056	100
5000 Operating Costs	(827,925)	(84)	(725,205)	(77)
5950 Net operating margin	157,542	16	211,851	23
Operating Expenses				
6100 Selling expenses	(36,804)	(4)	(31,432)	(3)
6200 General & administrative expenses	(39,796)	(4)	(45,664)	(5)
6300 Research and development expenses	(22,236)	(2)	(24,289)	(3)
6000 Total Operating Expenses	(98,836)	(10)	(101,385)	(11)
6900 Operating Profit	58,706	6	110,466	12
Non-operating Income and Expenses				
7010 Other income	6,059	1	7,717	1
7020 Other gains and losses	(27,598)	(3)	(11,550)	(1)
7050 Finance costs	(5,847)	(1)	(13,755)	(2)
7000 Total Non-operating Income and Expenses	(27,386)	(3)	(17,588)	(2)
7900 Profit before Income Tax	31,320	3	92,878	10
7950 Income tax expense	(10,858)	(1)	(20,860)	(3)
8200 Profit For the Period	\$ 20,462	2	\$ 72,018	7
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	\$ (16,733)	(2)	\$ (11,874)	(1)
8500 Total Comprehensive Income for the Period	\$ 3,729	-	\$ 60,144	6
Profit Attributable to :				
8610 Owners of the parent	\$ 20,462	2	\$ 71,873	7
8620 Non-controlling interests	-	-	145	-
	\$ 20,462	2	\$ 72,018	7
Comprehensive Income Attributable to:				
8710 Owners of the parent	\$ 3,729	-	\$ 61,288	6
8720 Non-controlling interests	-	-	(1,144)	-
	\$ 3,729	-	\$ 60,144	6
Earnings Per Share(in dollars)				
9750 Basic earnings per share	\$	0.20	\$	0.71
9850 Diluted earnings per share	\$	0.20	\$	0.71

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		
For the Six-month periods ended June 30, 2015						
Balance at January 1, 2015	\$ 1,006,378	\$ 32,484	\$ 312,138	\$ 24,338	\$ 1,375,338	\$ 41,584
Distribution of 2014 consolidated net income:						
Legal reserve	-	23,264	(23,264)	-	-	-
Cash dividends	-	-	(150,956)	-	(150,956)	-
Net income for the period	-	-	71,873	-	71,873	145
Other comprehensive income for the period	-	-	-	(10,585)	(10,585)	(1,289)
Changes in non-controlling interests	-	-	(7,319)	6,257	(1,062)	(40,440)
Balance at June 30, 2015	<u>\$ 1,006,378</u>	<u>\$ 55,748</u>	<u>\$ 202,472</u>	<u>\$ 20,010</u>	<u>\$ 1,284,608</u>	<u>\$ 0</u>
For the Six-month periods ended June 30, 2016						
Balance at January 1, 2016	\$ 1,006,378	\$ 55,748	\$ 255,067	\$ 27,486	\$ 1,344,679	\$ -
Distribution of 2015 consolidated net income:						
Legal reserve	-	12,447	(12,447)	-	-	-
Cash dividends	-	-	(80,510)	-	(80,510)	-
Net income for the period	-	-	20,462	-	20,462	-
Other comprehensive income for the period	-	-	-	(16,733)	(16,733)	-
Balance at June 30, 2016	<u>\$ 1,006,378</u>	<u>\$ 68,195</u>	<u>\$ 182,572</u>	<u>\$ 10,753</u>	<u>\$ 1,267,898</u>	<u>\$ 0</u>
					<u>\$ 1,267,898</u>	<u>\$ 1,344,679</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	
	2016	2015
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Profit before tax	\$ 31,320	\$ 92,878
Adjustments for		
Income and expenses having no effect on cash flows		
Net gain on financial assets/liabilities at fair value through profit or loss	-	(3,041)
Provision for doubtful accounts(Reversal of allowance for doubtful accounts)	399	2,184
Depreciation expense	84,787	82,432
Loss on disposal of property, plant and equipment	76	1,186
Amortization expense	375	510
Rent- long-term prepaid rents	181	181
Amortization-other non-current assets	1,255	1,255
Interest income	(2,123)	(2,935)
Interest expense	5,847	13,755
Changes in assets/liabilities relating to operating activities		
Net changes in assets relating to operating activities		
Notes receivable	46,945	27,735
Accounts receivable	20,657	74,533
Accounts receivable- related parties	6,038	711
Other receivables	(261)	(147)
Other receivables- related parties	19	116
Inventories	19,125	(48,167)
Prepayments	(6,474)	(3,037)
Other current assets	(13)	(7)
Net changes in liabilities relating to operating activities		
Financial liabilities at fair value through profit or loss	-	(4,734)
Notes payable	(219)	(1,916)
Accounts payable	(5,080)	44,041
Accounts payable- related parties	(39,271)	(72,330)
Other payables	(12,901)	3,541
Current provision	294	119
Other current liabilities	(582)	208
Cash generated from operations	150,394	209,071
Interest received	2,305	4,265
Interest paid	(6,816)	(15,828)
Income tax paid	(36,222)	(4,514)
Net cash provided by operating activities	\$ 109,661	\$ 192,994

THINFLEX CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in thousands of New Taiwan dollars)

	For the six-month periods ended June 30	
	2016	2015
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Decrease in other financial-current	\$ 19,473	\$ 256,061
Cash paid for acquisition of property, plant and equipment	(30,405)	(9,479)
Cash paid for intangible assets	-	(464)
Cash paid for prepayments for equipment	(18,388)	(21,386)
Decrease (increase) in refundable deposits	3,345	(557)
Cash paid for solar energy equipment	(2,781)	(3,072)
Decrease(increase) in other non-current assets	456	(630)
Net cash (used in) provided by investing activities	\$ (28,300)	\$ 220,473
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Increase in short-term borrowings	\$ 403,580	\$ 850,226
Decrease in short-term borrowings	(326,514)	(1,155,918)
Increase in long-term borrowings	100,000	113,669
Decrease in long-term borrowings	(222,500)	(62,323)
Net cash used in financing activities	(45,434)	(254,346)
Effect of exchange rate changes on cash and cash equivalents	13,171	9,150
INCREASE IN CASH AND CASH EQUIVALENTS	49,098	168,271
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	318,528	494,480
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 367,626	\$ 662,751