

HON HAI PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED SHEETS
2013 3st IFRS Consolidated Financial Statements

Accounting Title	2013/09/30	2012/12/31	2012/09/30	2012/01/01
Balance Sheet				
Assets				
Current assets				
Cash and cash equivalents				
Total cash and cash equivalents	633,483,056	505,526,956	565,131,191	329,793,633
Current financial assets at fair value through profit or loss				
Total current financial assets at fair value through profit or loss	501,515	140,220	51,402	70,329
Current available-for-sale financial assets				
Current available-for-sale financial assets, net	878,212	777,410	751,071	674,287
Accounts receivable, net				
Accounts receivable, net	441,576,868	597,578,990	429,904,973	450,757,984
Accounts receivable due from related parties, net				
Accounts receivable due from related parties, net	26,980,456	35,469,651	22,194,321	25,291,811
Other receivables				
Other receivables, net	43,071,840	38,235,975	38,988,108	34,679,896
Inventories				
Total inventories	365,293,008	349,882,643	394,431,997	380,521,794
Prepayments				
Total prepayments	6,699,761	7,647,041	5,970,573	7,119,919
Other current assets				
Total other current assets	3,504,557	947,222	3,882,662	46,741,750
Total current assets	1,521,989,273	1,536,206,108	1,461,306,298	1,275,651,403
Non-current assets				
Non-current financial assets at fair value through profit or loss				
Total non-current financial assets at fair value through profit or loss	179,300	179,300	200,000	0
Non-current available-for-sale financial assets				
Non-current available-for-sale financial assets, net	12,393,095	12,498,717	14,384,189	9,365,511
Non-current financial assets at cost				
Non-current financial assets at cost, net	9,371,270	8,591,982	3,437,255	4,018,056
Investments accounted for using equity method				
Investments accounted for using equity method, net	44,639,807	41,958,943	38,517,853	37,792,058
Property, plant and equipment				

Total property, plant and equipment	384,658,914	405,155,076	380,185,404	368,166,092
Investment property, net				
Investment property, net	2,360,203	1,231,003	1,238,304	1,345,340
Intangible assets				
Total intangible assets	3,711,168	3,954,469	508,421	695,266
Deferred tax assets	12,935,134	10,951,902	9,635,443	10,560,705
Other non-current assets				
Total other non-current assets	24,198,063	29,510,605	26,832,480	27,340,133
Total non-current assets	494,446,954	514,031,997	474,939,349	459,283,161
Total assets	2,016,436,227	2,050,238,105	1,936,245,647	1,734,934,564
Liabilities				
Current liabilities				
Short-term borrowings				
Total short-term borrowings	330,386,817	297,572,165	370,599,719	260,522,749
Short-term notes and bills payable				
Total short-term notes and bills payable	12,977,502	7,991,597	7,989,206	7,989,312
Current financial liabilities at fair value through profit or loss				
Total current financial liabilities at fair value through profit or loss	115,632	82,055	43,100	251,834
Accounts payable				
Total accounts payable	499,338,203	602,755,794	510,197,105	519,725,102
Accounts payable to related parties				
Total accounts payable to related parties	27,338,794	35,614,847	48,592,357	28,769,177
Other payables				
Total other payables	171,081,187	196,267,554	159,080,369	123,145,854
Current tax liabilities	18,085,211	19,177,206	12,851,691	19,939,503
Current provisions				
Total current provisions	2,060,968	3,464,280	3,365,847	7,302,884
Other current liabilities				
Total other current liabilities	61,952,682	89,442,390	53,579,661	25,879,538
Total current liabilities	1,123,336,996	1,252,367,888	1,166,299,055	993,525,953
Non-current liabilities				
Non-current financial liabilities at fair value through profit or loss				
Total non-current financial liabilities at fair value through profit or loss	0	0	17,485	470,158
Bonds payable				
Total bonds payable	90,611,875	74,980,461	84,929,910	62,378,777
Long-term borrowings				
Total long-term borrowings	37,154,724	30,707,957	33,077,367	53,600,100

Deferred tax liabilities				
Total deferred tax liabilities	3,625,121	4,148,965	3,672,009	3,927,601
Other non-current liabilities				
Total other non-current liabilities	8,957,773	7,119,084	5,824,488	6,256,685
Total non-current liabilities	140,349,493	116,956,467	127,521,259	126,633,321
Total liabilities	1,263,686,489	1,369,324,355	1,293,820,314	1,120,159,274
Equity				
Equity attributable to owners of parent				
Share capital				
Ordinary share	131,287,068	118,358,665	118,358,665	106,890,967
Total capital stock	131,287,068	118,358,665	118,358,665	106,890,967
Capital surplus				
Capital surplus, additional paid-in capital				
Total capital surplus, additional paid-in capital	64,033,016	58,302,661	58,302,661	53,206,711
Capital surplus, difference between consideration and carrying amount of subsidiaries acquired or disposed	37,105	33,840	0	0
Capital surplus, changes in equity of associates and joint ventures accounted for using equity method	669,130	595,577	212,742	0
Capital surplus, share options	0	0	0	0
Total capital surplus	64,739,251	58,932,078	58,515,403	53,206,711
Retained earnings				
Legal reserve	69,456,739	59,980,502	59,980,502	51,821,402
Unappropriated retained earnings (accumulated deficit)				
Total unappropriated retained earnings (accumulated deficit)	424,809,046	399,791,359	366,012,900	340,192,127
Total retained earnings	494,265,785	459,771,861	425,993,402	392,013,529
Other equity interest				
Exchange differences on translation of foreign financial statements				
Total exchange differences on translation of foreign financial statements	18,443,880	1,370,511	268,251	21,047,357
Unrealized gains (losses) on available-for-sale financial assets				
Total unrealized gains (losses) on available-for-sale financial assets	6,139,600	6,435,046	5,041,201	4,447,831
Total other equity interest	24,583,480	7,805,557	5,309,452	25,495,188
Treasury shares	18,901	18,901	18,901	18,901
Total equity attributable to owners of parent	714,856,683	644,849,260	608,158,021	577,587,494
Non-controlling interests	37,893,055	36,064,490	34,267,312	37,187,796
Total equity	752,749,738	680,913,750	642,425,333	614,775,290
Equivalent issue shares of advance receipts for ordinary share	0	0	0	0

Number of shares in entity held by entity and by its subsidiaries	1,433,093	1,302,812	1,302,812	1,184,375
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Accounting Title	2013/3rd	2012/3rd	2013/01/01To2013/09/30	2012/01/01To2012/09/30
Statement of comprehensive income				
Operating revenue				
Total operating revenue	919,301,218	874,442,214	2,623,930,666	2,767,645,025
Operating costs				
Total operating costs	854,301,422	808,638,422	2,461,084,857	2,599,496,332
Gross profit (loss) from operations	64,999,796	65,803,792	162,845,809	168,148,693
Gross profit (loss) from operations	64,999,796	65,803,792	162,845,809	168,148,693
Operating expenses				
Selling expenses				
Total selling expenses	5,958,503	6,489,151	16,598,853	17,998,096
Administrative expenses				
Total administrative expenses	16,016,040	17,522,735	50,440,654	51,559,241
Research and development expenses				
Total research and development expenses	11,178,766	12,139,259	31,449,992	32,078,137
Total operating expenses	33,153,309	36,151,145	98,489,499	101,635,474
Net operating income (loss)	31,846,487	29,652,647	64,356,310	66,513,219
Non-operating income and expenses				
Other income				
Total other income	4,568,332	4,936,007	11,694,118	14,287,695
Other gains and losses				
Other gains and losses, net	615,381	1,811,323	11,589,512	-3,425,988
Finance costs				
Finance costs, net	2,911,060	2,135,034	6,827,396	7,257,656
Share of profit (loss) of associates and joint ventures accounted for using equity method				
Share of profit (loss) of associates and joint ventures accounted for using equity method, net	1,640,531	2,610,538	3,088,117	3,738,355
Total non-operating income and expenses	3,913,184	7,222,834	19,544,351	7,342,406
Profit (loss) from continuing operations before tax	35,759,671	36,875,481	83,900,661	73,855,625
Tax expense (income)				

Total tax expense (income)	5,038,345	4,552,510	19,898,626	15,606,096
Profit (loss) from continuing operations	30,721,326	32,322,971	64,002,035	58,249,529
Profit (loss)	30,721,326	32,322,971	64,002,035	58,249,529
Other comprehensive income				
Exchange differences on translation	-9,211,674	-10,319,427	15,908,473	-20,779,135
Unrealised gains (losses) on valuation of available-for-sale financial assets	-255,583	-763,861	-653,947	791,081
Share of other comprehensive income of associates and joint ventures accounted for using equity method				
Total share of other comprehensive income of associates and joint ventures accounted for using equity method	1,607,636	-389,423	2,477,285	-1,045,936
Other comprehensive income, net	-7,859,621	-11,472,711	17,731,811	-21,033,990
Total comprehensive income	22,861,705	20,850,260	81,733,846	37,215,539
Profit (loss), attributable to:				
Profit (loss), attributable to owners of parent	30,753,428	32,751,958	64,083,590	60,702,614
Profit (loss), attributable to non-controlling interests	-32,102	-428,987	-81,555	-2,453,085
Comprehensive income attributable to:				
Comprehensive income, attributable to owners of parent	23,342,677	21,794,490	80,861,513	40,516,878
Comprehensive income, attributable to non-controlling interests	-480,972	-944,230	872,333	-3,301,339
Basic earnings per share				
Basic earnings (loss) per share from continuing operations	2.34	2.52	4.91	4.66
Total basic earnings per share	2.34	2.52	4.91	4.66
Diluted earnings per share				
Diluted earnings (loss) per share from continuing operations	2.29	2.46	4.78	4.57
Total diluted earnings per share	2.29	2.46	4.78	4.57

Accounting Title	2013/01/01To2013/09/30	2012/01/01To2012/09/30
Statement of cash flows		
Cash flows from (used in) operating activities, indirect method		
Profit (loss) from continuing operations before tax	83,900,661	73,855,625
Profit (loss) before tax	83,900,661	73,855,625

Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expense	53,913,951	50,863,175
Amortization expense	636,695	289,708
Provision (reversal of provision) for bad debt expense	227,523	706,758
Net loss (gain) on financial assets or liabilities at fair value	-2,949	-435,382
through profit or loss		
Interest expense	6,746,719	7,110,282
Interest income	-6,423,821	-9,903,538
Dividend income	-379,271	-203,026
Share of loss (profit) of associates and joint ventures	-3,088,117	-3,738,355
accounted for using equity method		
Loss (gain) on disposal of property, plant and equipment	252,370	-35,451
Loss (gain) on disposal of investments	-1,215,702	-1,277,607
Impairment loss on non-financial assets	28,875	1,790,341
Total adjustments to reconcile profit (loss)	50,696,273	45,166,905
Changes in operating assets and liabilities		
Changes in operating assets		
Decrease (increase) in financial assets held for trading	-324,769	-407,097
Decrease (increase) in notes receivable	-27,191	-30,499
Decrease (increase) in accounts receivable	155,801,790	20,176,752
Decrease (increase) in accounts receivable due from	8,489,195	3,097,490
related parties		
Decrease (increase) in other receivable	-4,880,682	-3,170,775
Decrease (increase) in inventories	-15,410,365	-13,545,249
Decrease (increase) in prepayments	947,280	1,149,346
Total changes in operating assets	144,595,258	7,269,968
Changes in operating liabilities		
Increase (decrease) in accounts payable	-103,417,591	-9,527,997
Increase (decrease) in accounts payable to related parties	-8,276,053	19,823,180
Increase (decrease) in other payable	-20,662,534	24,374,441
Increase (decrease) in provisions	-1,403,312	-3,937,037
Increase (decrease) in receipts in advance	-20,220,528	12,608,982
Increase (decrease) in other current liabilities	2,220,532	-367,859
Increase (decrease) in accrued pension liabilities	-64,535	20,050
Total changes in operating liabilities	-151,824,021	42,993,760
Total changes in operating assets and liabilities	-7,228,763	50,263,728
Total adjustments	43,467,510	95,430,633

Cash inflow (outflow) generated from operations	127,368,171	169,286,258
Income taxes refund (paid)	-23,497,697	-20,201,934
Net cash flows from (used in) operating activities	103,870,474	149,084,324
Cash flows from (used in) investing activities		
Acquisition of available-for-sale financial assets	-132,000	-7,719,647
Proceeds from disposal of available-for-sale financial assets	1,371,924	4,690,874
Acquisition of financial assets at cost	-249,461	-730,620
Proceeds from disposal of financial assets at cost	54,749	981,681
Acquisition of investments accounted for using equity method	-1,078,665	-914,768
Proceeds from disposal of investments accounted for using equity method	2,432,610	2,104,878
Acquisition of property, plant and equipment	-39,866,543	-51,223,237
Proceeds from disposal of property, plant and equipment	8,811,471	3,381,352
Increase in other financial assets	-1,738,987	41,642,002
Increase in other non-current assets	-128,758	-2,187,004
Increase in other prepayments	-71,130	-473,678
Interest received	6,847,191	10,076,917
Dividends received	379,271	203,026
Other investing activities	1,154,910	0
Net cash flows from (used in) investing activities	-22,213,418	-168,224
Cash flows from (used in) financing activities		
Increase in short-term loans	24,193,862	110,076,970
Decrease in short-term notes and bills payable	4,985,905	-106
Proceeds from issuing bonds	15,292,000	23,000,000
Repayments of bonds	0	-3,000,000
Proceeds from long-term debt	17,259,080	6,206,100
Repayments of long-term debt	-20,821,740	-6,687,000
Increase in other non-current liabilities	748,314	-452,247
Cash dividends paid	0	-16,033,645
Interest paid	-5,375,377	-6,605,218
Change in non-controlling interests	956,232	380,855
Net cash flows from (used in) financing activities	37,238,276	106,885,709
Effect of exchange rate changes on cash and cash equivalents	9,060,768	-20,464,251
Net increase (decrease) in cash and cash equivalents	127,956,100	235,337,558
Cash and cash equivalents at beginning of period	505,526,956	329,793,633
Cash and cash equivalents at end of period	633,483,056	565,131,191
Cash and cash equivalents reported in the statement of financial position	633,483,056	565,131,191

2013/09/30 Statement of Stockholders' Equity

Unit: NT\$ thousand

	Ordinary share	Total share capital	Capital surplus	Legal reserve	Unappropriat ed retained earnings (accumulated deficit)	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealize d gains (losses) on available -for-sale financial assets	Total other equity interest	Treasur y shares	Total equity attributable to owners of parent	Non-control ling interests	Total equity
Equity at beginning of period	118,358,665	118,358,665	58,932,078	59,980,502	399,791,359	459,771,861	1,370,511	6,435,046	7,805,557	-18,901	644,849,260	36,064,490	680,913,750
Legal reserve appropriated	0	0	0	9,476,237	-9,476,237	0	0	0	0	0	0	0	0
Cash dividends of ordinary share	0	0	0	0	-17,753,800	-17,753,800	0	0	0	0	-17,753,800	0	-17,753,800
Stock dividends of ordinary share	11,835,866	11,835,866	0	0	-11,835,866	-11,835,866	0	0	0	0	0	0	0
Changes in equity of associates and joint ventures accounted for using equity method	0	0	73,554	0	0	0	0	0	0	0	73,554	0	73,554
Profit (loss)	0	0	0	0	64,083,590	64,083,590	0	0	0	0	64,083,590	-81,555	64,002,035
Other comprehensive income	0	0	0	0	0	0	17,073,369	-295,446	16,777,923	0	16,777,923	953,888	17,731,811

Total comprehensive income	0	0	0	0	64,083,590	64,083,590	17,073,369	-295,446	16,777,923	0	80,861,513	872,333	81,733,846
Difference between carrying amount of subsidiaries acquired or disposed	0	0	3,265	0	0	0	0	0	0	0	3,265	0	3,265
Share-based payments	1,092,537	1,092,537	5,730,354	0	0	0	0	0	0	0	6,822,891	0	6,822,891
Changes in non-controlling interests	0	0	0	0	0	0	0	0	0	0	0	956,232	956,232
Total increase (decrease) in equity	12,928,403	12,928,403	5,807,173	9,476,237	25,017,687	34,493,924	17,073,369	-295,446	16,777,923	0	70,007,423	1,828,565	71,835,988
Equity at end of period	131,287,068	131,287,068	64,739,251	69,456,739	424,809,046	494,265,785	18,443,880	6,139,600	24,583,480	-18,901	714,856,683	37,893,055	752,749,738

Report of Independent Auditors

Name of CPA Firm PricewaterhouseCoopers

Name of CPA 1 HSU, YUNG-CHIEN

Name of CPA 2 HSUEH, MING-LING

Date of Audit (Review) 2013-11-13

Type of Report

Review Report Y

Type of Opinion

Qualified Opinion Y

Situations for not Issuing a
Standard Unqualified Opinion

Financial statements of
non-major subsidiary or investment
accounted for using equity method
have not been audited or reviewed

Description of Matter
Emphasized

Description of Other Matter

To The Board of Directors and Stockholders
Hon Hai Precision Industry Co., Ltd.

We have reviewed, in accordance with the R.O.C. Statement of Auditing Standards No. 36, "Review of Financial Statements", the consolidated balance sheets of Hon Hai Precision Industry Co., Ltd. and subsidiaries as of September 30, 2013 and 2012, December 31, 2012, January 1, 2012 and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the nine-month periods then ended appearing on the Market Observation Post System as provided by the Taiwan Stock Exchange Corporation. Our review is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Content of Independent Auditors
Report

In our review report dated November 13, 2013, we indicated that the financial statements of certain consolidated subsidiaries and long-term equity investments accounted for under the equity method were not reviewed by independent accountants. Except for the effect of such adjustments, if any, as might have been determined to be necessary had the financial statements of certain investee companies and consolidated subsidiaries been audited or reviewed by independent accountants, based on our reviews, we are not aware of any material modifications that should be made to the consolidated financial statements referred to above for them to be in conformity with the "Rules Governing the Preparation of Financial Statements of Securities Issuers", International Accounting Standards No.34 "Interim Financial Reporting" and International Financial Reporting Standards No.1 "First-time Adoption of International Financial Reporting Standards" recognized by the Financial Supervisory Commission on R.O.C.

The condensed consolidated financial statements presented in the Market Observation Post System of the Taiwan Stock Exchange Corporation are fairly stated, in all material respects, in relation to the financial statements from which it has been derived.

Pricewaterhouse Coopers, Taiwan
November 13, 2013

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

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