

2317 2014 3rd IFRS Consolidated Financial Statements Document

Preview

Unit: NT\$ thousand

Accounting Title	2014/09/30	2013/12/31	2013/09/30
Balance Sheet			
Assets			
Current assets			
Cash and cash equivalents			
Total cash and cash equivalents	543,460,007	694,027,045	633,483,056
Current financial assets at fair value through profit or loss			
Total current financial assets at fair value through profit or loss	6,654,929	1,198,112	501,515
Current available-for-sale financial assets			
Current available-for-sale financial assets, net	1,003,831	1,087,171	878,212
Accounts receivable, net			
Accounts receivable, net	507,127,461	727,761,542	441,576,868
Accounts receivable due from related parties, net			
Accounts receivable due from related parties, net	18,423,146	19,948,258	26,980,456
Other receivables			
Other receivables, net	48,131,494	40,215,354	43,071,840
Inventories			
Total inventories	447,960,680	312,785,092	365,293,008
Prepayments			
Total prepayments	9,491,295	6,393,753	6,699,761

Non-current assets classified as held for sale, net			
Non-current assets classified as held for sale, net	9,013,624	0	0
Other current assets			
Total other current assets	84,164,297	5,165,161	3,504,557
Total current assets	1,675,430,764	1,808,581,488	1,521,989,273
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	0	0	179,300
Non-current available-for-sale financial assets			
Non-current available-for-sale financial assets, net	63,635,658	11,854,684	12,393,095
Non-current financial assets at cost			
Non-current financial assets at cost, net	6,034,544	10,843,376	9,371,270
Investments accounted for using equity method			
Investments accounted for using equity method, net	60,210,659	46,282,999	44,639,807
Property, plant and equipment			
Total property, plant and equipment	347,190,993	379,561,941	384,658,914
Investment property, net			
Investment property, net	3,298,829	2,304,839	2,360,203
Intangible assets			
Total intangible assets	3,519,400	12,815,278	3,711,168
Deferred tax assets	16,180,118	15,837,041	12,935,134
Other non-current assets			
Total other non-current assets	25,899,128	24,379,557	24,198,063
Total non-current assets	525,969,329	503,879,715	494,446,954
Total assets	2,201,400,093	2,312,461,203	2,016,436,227
Liabilities			

Current liabilities			
Short-term borrowings			
Total short-term borrowings	209,637,029	366,233,601	330,386,817
Short-term notes and bills payable			
Total short-term notes and bills payable	0	19,982,517	12,977,502
Current financial liabilities at fair value through profit or loss			
Total current financial liabilities at fair value through profit or loss	505,755	39,946	115,632
Accounts payable			
Total accounts payable	606,457,220	682,942,409	499,338,203
Accounts payable to related parties			
Total accounts payable to related parties	36,011,938	29,761,739	27,338,794
Other payables			
Total other payables	178,545,353	191,175,178	171,081,187
Current tax liabilities	21,828,083	24,158,478	18,085,211
Current provisions			
Total current provisions	2,665,005	2,406,336	2,060,968
Liabilities related to non-current assets classified as held for sale	1,826,672	0	0
Other current liabilities			
Total other current liabilities	65,145,635	42,260,567	61,952,682
Total current liabilities	1,122,622,690	1,358,960,771	1,123,336,996
Non-current liabilities			
Bonds payable			
Total bonds payable	128,083,757	97,054,788	90,611,875
Long-term borrowings			
Total long-term borrowings	28,544,406	35,108,728	37,154,724
Deferred tax liabilities			

Total deferred tax liabilities	4,439,927	6,218,103	3,625,121
Other non-current liabilities			
Total other non-current liabilities	9,217,638	9,194,211	8,957,773
Total non-current liabilities	170,285,728	147,575,830	140,349,493
Total liabilities	1,292,908,418	1,506,536,601	1,263,686,489
Equity			
Equity attributable to owners of parent			
Share capital			
Ordinary share	147,934,068	131,287,068	131,287,068
Total capital stock	147,934,068	131,287,068	131,287,068
Capital surplus			
Capital surplus, additional paid-in capital			
Total capital surplus, additional paid-in capital	70,822,659	64,033,016	64,033,016
Capital surplus, difference between consideration and carrying amount of subsidiaries acquired or disposed	0	0	0
Capital Surplus, changes in ownership interests in subsidiaries	0	52,165	37,105
Capital surplus, donated assets received			
Total capital surplus, donated assets received	0	0	0
Capital surplus, changes in equity of associates and joint ventures accounted for using equity method	700,649	707,692	669,130
Capital surplus, share options	0	0	0
Total capital surplus	71,523,308	64,792,873	64,739,251
Retained earnings			
Legal reserve	80,126,455	69,456,739	69,456,739
Unappropriated retained earnings (accumulated deficit)			
Total unappropriated retained earnings (accumulated deficit)	490,286,087	467,423,426	424,809,046
Total retained earnings	570,412,542	536,880,165	494,265,785
Other equity interest			

Exchange differences on translation of foreign financial statements			
Total exchange differences on translation of foreign financial statements	32,695,423	26,432,947	18,443,880
Unrealized gains (losses) on available-for-sale financial assets			
Total unrealized gains (losses) on available-for-sale financial assets	38,455,357	5,295,914	6,139,600
Total other equity interest	71,150,780	31,728,861	24,583,480
Treasury shares	18,901	18,901	18,901
Total equity attributable to owners of parent	861,001,797	764,670,066	714,856,683
Non-controlling interests	47,489,878	41,254,536	37,893,055
Total equity	908,491,675	805,924,602	752,749,738
Number of share capital awaiting retirement	0	0	0
Equivalent issue shares of advance receipts for ordinary share	0	0	0
Number of shares in entity held by entity and by its subsidiaries	1,605,064	1,433,093	1,433,093

Accounting Title	2014/3rd	2013/3rd	2014/01/01To 2014/09/30	2013/01/01To 2013/09/30
Statement of comprehensive income				
Operating revenue				
Total operating revenue	950,494,021	919,301,218	2,713,067,658	2,623,930,666
Operating costs				
Total operating costs	882,996,725	854,301,422	2,530,204,418	2,461,084,857
Gross profit (loss) from operations	67,497,296	64,999,796	182,863,240	162,845,809
Gross profit (loss) from operations	67,497,296	64,999,796	182,863,240	162,845,809
Operating expenses				
Selling expenses				
Total selling expenses	6,555,242	5,958,503	16,962,270	16,598,853
Administrative expenses				

Total administrative expenses	17,653,087	16,016,040	52,644,239	50,440,654
Research and development expenses				
Total research and development expenses	11,916,410	11,178,766	33,046,685	31,449,992
Total operating expenses	36,124,739	33,153,309	102,653,194	98,489,499
Net operating income (loss)	31,372,557	31,846,487	80,210,046	64,356,310
Non-operating income and expenses				
Other income				
Total other income	9,193,571	4,568,332	24,706,817	11,694,118
Other gains and losses				
Other gains and losses, net	3,978,760	615,381	3,140,718	11,589,512
Finance costs				
Finance costs, net	4,170,354	2,911,060	10,954,844	6,827,396
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	1,434,589	1,640,531	2,664,439	3,088,117
Total non-operating income and expenses	10,436,566	3,913,184	19,557,130	19,544,351
Profit (loss) from continuing operations before tax	41,809,123	35,759,671	99,767,176	83,900,661
Tax expense (income)				
Total tax expense (income)	7,184,493	5,038,345	24,687,255	19,898,626
Profit (loss) from continuing operations	34,624,630	30,721,326	75,079,921	64,002,035
Profit (loss)	34,624,630	30,721,326	75,079,921	64,002,035
Other comprehensive income				
Exchange differences on translation	15,363,619	-9,211,674	7,380,812	15,908,473
Unrealised gains (losses) on valuation of available-for-sale financial assets	21,724,097	-255,583	32,998,502	-653,947
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	157,633	1,607,636	428,826	2,477,285
Other comprehensive income, net	37,245,349	-7,859,621	40,808,140	17,731,811
Total comprehensive income	71,869,979	22,861,705	115,888,061	81,733,846
Profit (loss), attributable to:				
Profit (loss), attributable to owners of parent	34,089,122	30,753,428	73,818,020	64,083,590
Profit (loss), attributable to non-controlling interests	535,508	-32,102	1,261,901	-81,555
Comprehensive income attributable to:				
Comprehensive income, attributable to owners of parent	69,788,735	23,342,677	113,239,939	80,861,513
Comprehensive income, attributable to non-controlling interests	2,081,244	-480,972	2,648,122	872,333
Basic earnings per share				
Basic earnings (loss) per share from continuing operations	2.30	2.09	5.01	4.36
Total basic earnings per share	2.30	2.09	5.01	4.36
Diluted earnings per share				
Diluted earnings (loss) per share from continuing operations	2.29	2.05	4.97	4.26
Total diluted earnings per share	2.29	2.05	4.97	4.26

Accounting Title	2014/01/01To2014/09/30	2013/01/01To2013/09/30
Statement of cash flows		
Cash flows from (used in) operating activities, indirect method		
Profit (loss) from continuing operations before tax		99,767,176
Profit (loss) before tax		99,767,176
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expense		52,575,409
Amortization expense		630,922
		53,913,951
		636,695

Provision (reversal of provision) for bad debt expense	751,724	227,523
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	-2,502,742	-2,949
Interest expense	10,815,489	6,746,719
Interest income	-19,726,086	-6,423,821
Dividend income	-623,777	-379,271
Share of loss (profit) of associates and joint ventures accounted for using equity method	-2,664,439	-3,088,117
Loss (gain) on disposal of property, plan and equipment	-160,667	252,370
Loss (gain) on disposal of investments	-313,296	-1,215,702
Impairment loss on financial assets	188,616	0
Impairment loss on non-financial assets	1,444,260	28,875
Total adjustments to reconcile profit (loss)	40,415,413	50,696,273
Changes in operating assets and liabilities		
Changes in operating assets		
Decrease (increase) in financial assets held for trading	-2,488,266	-324,769
Decrease (increase) in notes receivable	629,688	-27,191
Decrease (increase) in accounts receivable	219,252,669	155,801,790
Decrease (increase) in accounts receivable due from related parties	1,525,112	8,489,195
Decrease (increase) in other receivable	-6,554,975	-4,880,682
Decrease (increase) in inventories	-135,175,588	-15,410,365
Decrease (increase) in prepayments	-3,120,468	947,280
Total changes in operating assets	74,068,172	144,595,258
Changes in operating liabilities		
Increase (decrease) in accounts payable	-76,485,189	-103,417,591
Increase (decrease) in accounts payable to related parties	6,250,199	-8,276,053
Increase (decrease) in other payable	3,220,679	-20,662,534
Increase (decrease) in provisions	258,669	-1,403,312

Increase (decrease) in receipts in advance	10,918,882	-20,220,528
Increase (decrease) in other current liabilities	-805,087	2,220,532
Increase (decrease) in accrued pension liabilities	-37,810	-64,535
Total changes in operating liabilities	-56,679,657	-151,824,021
Total changes in operating assets and liabilities	17,388,515	-7,228,763
Total adjustments	57,803,928	43,467,510
Cash inflow (outflow) generated from operations	157,571,104	127,368,171
Income taxes refund (paid)	-29,139,095	-23,497,697
Net cash flows from (used in) operating activities	128,432,009	103,870,474
Cash flows from (used in) investing activities		
Acquisition of available-for-sale financial assets	-12,414,019	-132,000
Proceeds from disposal of available-for-sale financial assets	428,814	1,371,924
Acquisition of financial assets at cost	-1,555,311	-249,461
Proceeds from disposal of financial assets at cost	493,755	54,749
Acquisition of investments accounted for using equity method	-13,047,225	-1,078,665
Proceeds from disposal of investments accounted for using equity method	118,426	2,432,610
Acquisition of property, plant and equipment	-19,771,328	-39,866,543
Proceeds from disposal of property, plant and equipment	877,245	8,811,471
Increase in other receivables due from related parties	-963,869	0
Acquisition of intangible assets	-114,989	0
Increase in other financial assets	-78,999,136	-1,738,987
Increase in other non-current assets	-4,956,901	-128,758
Increase in other prepayments	-30,706	-71,130
Decrease in other prepayments	0	0
Interest received	19,525,631	6,847,191
Dividends received	623,777	379,271

Other investing activities	513,949	1,154,910
Net cash flows from (used in) investing activities	-109,271,887	-22,213,418
Cash flows from (used in) financing activities		
Decrease in short-term loans	-157,006,089	24,193,862
Decrease in short-term notes and bills payable	-19,982,517	4,985,905
Proceeds from issuing bonds	44,206,748	15,292,000
Repayments of bonds	0	0
Proceeds from long-term debt	978,490	17,259,080
Repayments of long-term debt	-8,110,433	-20,821,740
Decrease in other non-current liabilities	-371,041	748,314
Cash dividends paid	-23,631,672	0
Interest paid	-10,360,410	-5,375,377
Change in non-controlling interests	3,587,220	956,232
Net cash flows from (used in) financing activities	-170,689,704	37,238,276
Effect of exchange rate changes on cash and cash equivalents	962,544	9,060,768
Net increase (decrease) in cash and cash equivalents	-150,567,038	127,956,100
Cash and cash equivalents at beginning of period	694,027,045	505,526,956
Cash and cash equivalents at end of period	543,460,007	633,483,056
Cash and cash equivalents reported in the statement of financial position	543,460,007	633,483,056

2014/09/30 Statement of Stockholders' Equity

Unit: NT\$ thousand

	Ordinary share	Total share capital	Capital surplus	Legal reserve	Unappropriated retained earnings (accumulated deficit)	Total retained earnings	Exchange difference on translation of foreign financial statements	Unrealized gains (losses) on available-for-sale financial assets	Total other equity interest	Treasury shares	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Equity at beginning of period	131,287,068	131,287,068	64,792,873	69,456,739	467,423,426	536,880,165	26,432,947	5,295,914	31,728,861	-18,901	764,670,066	41,254,536	805,924,602
Legal reserve appropriated	0	0	0	10,669,716	-10,669,716	0	0	0	0	0	0	0	0
Cash dividends of ordinary share	0	0	0	0	-23,631,672	-23,631,672	0	0	0	0	-23,631,672	0	-23,631,672
Stock dividends of ordinary share	15,754,448	15,754,448	0	0	-15,754,448	-15,754,448	0	0	0	0	0	0	0
Changes in equity of associates and joint ventures accounted for using equity method	0	0	-7,043	0	0	0	0	0	0	0	-7,043	0	-7,043
Profit (loss)	0	0	0	0	73,818,020	73,818,020	0	0	0	0	73,818,020	1,261,901	75,079,921

Other comprehensive income	0	0	0	0	0	0	6,262,476	33,159,443	39,421,919	0	39,421,919	1,386,221	40,808,140
Total comprehensive income	0	0	0	0	73,818,020	73,818,020	6,262,476	33,159,443	39,421,919	0	113,239,939	2,648,122	115,888,061
Changes in ownership interests in subsidiaries	0	0	-52,165	0	-899,523	-899,523	0	0	0	0	-951,688	0	-951,688
Changes in non-controlling interests	0	0	0	0	0	0	0	0	0	0	0	3,587,220	3,587,220
Share-based payments	892,552	892,552	6,789,643	0	0	0	0	0	0	0	7,682,195	0	7,682,195
Total increase (decrease) in equity	16,647,000	16,647,000	6,730,435	10,669,716	22,862,661	33,532,377	6,262,476	33,159,443	39,421,919	0	96,331,731	6,235,342	102,567,073
Equity at end of period	147,934,068	147,934,068	71,523,308	80,126,455	490,286,087	570,412,542	32,695,423	38,455,357	71,150,780	-18,901	861,001,797	47,489,878	908,491,675

2013/09/30 Statement of Stockholders' Equity

Unit: NT\$ thousand

	Ordinary share	Total share capital	Capital surplus	Legal reserve	Unappropriated retained earnings (accumulated deficit)	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on available-for-sale financial assets	Total other equity interest	Treasury shares	Total equity attributable to owners of parent	Non-controlling 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

Changes in ownership interests in subsidiaries	0	0	3,265	0	0	0	0	0	0	0	0	3,265	0	3,265
Changes in non-controlling interests	0	0	0	0	0	0	0	0	0	0	0	0	956,232	956,232
Share-based payments	1,092,537	1,092,537	5,730,354	0	0	0	0	0	0	0	0	6,822,891	0	6,822,891
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	WU, HAN-CHI
Name of CPA 2	Chang, Ming-Hui
Date of Audit (Review)	2014-11-13
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	Y
Description of Matter Emphasized	
Description of Other Matter	
Content of Independent Auditors Report	To The Board of Directors and Stockholders

Hon Hai Precision Industry Co., Ltd.

We have reviewed the accompanying consolidated balance sheets of Hon Hai Precision Industry Co., Ltd. and subsidiaries as of September 30, 2013 and 2014, and the related consolidated statements of comprehensive income and of cash flows for the three-month and nine-month periods ended September 30, 2013 and 2014. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Except as explained in the following paragraph, we conducted our reviews in accordance with Statement of Auditing Standards No. 36, "Review of Financial Statements" in the Republic of China. A review of interim financial information consists principally of obtaining an understanding of the system for the preparation of interim financial information, applying analytical procedures to financial data, and making inquiries of Company

personnel responsible for financial and accounting matters. It 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

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As explained in Notes 4(3) and 6(10), we did not review the financial statements of certain insignificant consolidated subsidiaries and investments accounted for under equity method, which statements reflect total assets (including investments accounted for under equity method) of \$509,987,769,000 and \$593,818,537,000, constituting 25.29% and 26.97% of the consolidated total assets, and total liabilities of \$304,320,632,000 and \$223,296,361,000, constituting 24.08% and 17.27% of the consolidated total liabilities as of September 30, 2013 and 2014, respectively, and total comprehensive income (including share of profit (loss) and other comprehensive income of

associates and joint ventures accounted for under the equity method) of \$10,198,169,000, \$10,784,422,000, \$13,214,424,000 and \$16,754,805,000, constituting 44.61%, 15.01%, 16.17% and 14.46% of the consolidated total comprehensive income for the three-month and nine-month periods then ended, respectively. These amounts and the information disclosed in Note 13 were based solely on the unreviewed financial statements of these companies as of September 30, 2013 and 2014.

Based on our reviews, except for the effect of such adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries, investments accounted for under the equity method and the information disclosed in Note 13 been audited or reviewed by independent accountants and the omission of certain additional disclosures relating to the investee companies, 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 Reports by
Securities Issuers?, I
AS 34, ?Interim Financial Reporting?, as endorsed by the
Financial Supervis
ory Commission (FSC).

PricewaterhouseCoopers, Taiwan
November 13, 2014

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accompanying consolidat
ed financial statements are not intended to present the
financial position an
d results of operations and cash flows in accordance with
accounting principl
es generally accepted in countries and jurisdictions
other than the Republic
of China. The standards, procedures and practices in the
Republic of China go
verning the audit of such financial statements may differ
from those generall
y accepted in countries and jurisdictions other than the
Republic of China. A
ccordingly, 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.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.