

HON HAI PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES CONSOLIDATED SHEETS
2015 1st IFRS Consolidated Financial Statements

Balance Sheet

Accounting Title	2015/03/31	2014/12/31	2014/03/31
Balance Sheet			
Assets			
Current assets			
Cash and cash equivalents			
Total cash and cash equivalents	719,156,613	679,037,301	755,095,946
Current financial assets at fair value through profit or loss			
Total current financial assets at fair value through profit or loss	1,814,537	3,438,255	8,946,209
Current available-for-sale financial assets			
Current available-for-sale financial assets, net	954,580	1,035,704	959,593
Accounts receivable, net			
Accounts receivable, net	449,391,471	748,286,815	413,537,097
Accounts receivable due from related parties, net			
Accounts receivable due from related parties, net	19,443,166	24,093,966	9,608,183
Other receivables			
Other receivables, net	41,246,456	45,923,820	47,520,567
Inventories			
Total inventories	379,221,700	369,196,813	306,481,676
Prepayments			
Total prepayments	11,272,695	10,413,141	7,399,586
Non-current assets classified as held for sale, net			
Non-current assets classified as held for sale, net	5,700,377	9,902,089	0
Other current assets			
Total other current assets	38,704,542	41,093,451	6,905,611
Total current assets	1,666,906,137	1,932,421,355	1,556,454,468
Non-current assets			
Non-current available-for-sale financial assets			
Non-current available-for-sale financial assets, net	50,884,627	52,792,228	13,044,774
Non-current financial assets at cost			
Non-current financial assets at cost, net	6,645,983	5,792,900	11,707,662
Investments accounted for using equity method			
Investments accounted for using equity method, net	66,037,679	63,412,270	46,878,554
Property, plant and equipment			
Total property, plant and equipment	341,208,380	358,868,558	363,411,267
Investment property, net			
Investment property, net	2,842,448	3,164,666	2,270,514
Intangible assets			
Total intangible assets	4,291,195	4,440,091	12,792,396
Deferred tax assets	16,411,112	17,376,159	18,487,468
Other non-current assets			
Total other non-current assets	25,761,618	24,446,522	24,862,849
Total non-current assets	514,083,042	530,293,394	493,455,484
Total assets	2,180,989,179	2,462,714,749	2,049,909,952
Liabilities and equity			
Liabilities			

	Current liabilities			
	Short-term borrowings			
	Total short-term borrowings	174,998,976	226,500,507	319,740,473
	Short-term notes and bills payable			
	Total short-term notes and bills payable	0	0	11,986,280
	Current financial liabilities at fair value through profit or loss			
or loss	Total current financial liabilities at fair value through profit	896,530	1,271,012	995,878
	Accounts payable			
	Total accounts payable	503,738,642	694,315,259	473,259,543
	Accounts payable to related parties			
	Total accounts payable to related parties	37,480,863	41,014,601	20,697,293
	Other payables			
	Total other payables	170,974,327	223,575,519	166,295,855
	Current tax liabilities	29,348,981	31,690,222	27,352,824
	Current provisions			
	Total current provisions	2,538,107	2,674,879	2,471,812
sale	Liabilities related to non-current assets classified as held for	59,539	2,054,833	0
	Other current liabilities			
	Total other current liabilities	78,843,642	79,504,965	47,585,612
	Total current liabilities	998,879,607	1,302,601,797	1,070,385,570
	Non-current liabilities			
	Bonds payable			
	Total bonds payable	142,996,736	134,644,413	100,660,488
	Long-term borrowings			
	Total long-term borrowings	21,612,402	24,197,727	32,853,740
	Deferred tax liabilities			
	Total deferred tax liabilities	6,660,971	7,089,517	4,792,840
	Other non-current liabilities			
	Total other non-current liabilities	9,367,745	9,504,493	9,117,089
	Total non-current liabilities	180,637,854	175,436,150	147,424,157
	Total liabilities	1,179,517,461	1,478,037,947	1,217,809,727
	Equity			
	Equity attributable to owners of parent			
	Share capital			
	Ordinary share	147,934,068	147,934,068	131,287,068
	Total capital stock	147,934,068	147,934,068	131,287,068
	Capital surplus			
	Capital surplus, additional paid-in capital			
	Total capital surplus, additional paid-in capital	70,822,659	70,822,659	64,033,016
carrying	Capital surplus, difference between consideration and amount of subsidiaries acquired or disposed	0	0	0
subsidaries	Capital Surplus, changes in ownership interests in	112,566	1,589	341,920
	Capital surplus, donated assets received			
	Total capital surplus, donated assets received	0	0	0
ventures	Capital surplus, changes in equity of associates and joint accounted for using equity method	1,933,977	835,660	741,705
	Capital surplus, share options	0	0	0
	Capital surplus, others	0	0	0

Total capital surplus	72,869,202	71,659,908	65,116,641
Retained earnings			
Legal reserve	80,126,455	80,126,455	69,456,739
Unappropriated retained earnings (accumulated deficit)			
Total unappropriated retained earnings (accumulated deficit)	577,317,790	546,932,523	486,966,189
Total retained earnings	657,444,245	627,058,978	556,422,928
Other equity interest			
Exchange differences on translation of foreign financial statements			
Total exchange differences on translation of foreign financial statements	47,788,115	59,610,235	30,080,612
Unrealized gains (losses) on available-for-sale financial assets			
Total unrealized gains (losses) on available-for-sale financial assets	20,095,239	23,986,945	6,078,684
Total other equity interest	67,883,354	83,597,180	36,159,296
Treasury shares	18,901	18,901	18,901
Total equity attributable to owners of parent	946,111,968	930,231,233	788,967,032
Non-controlling interests	55,359,750	54,445,569	43,133,193
Total equity	1,001,471,718	984,676,802	832,100,225
Total liabilities and equity	2,180,989,179	2,462,714,749	2,049,909,952
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	1,605,064	1,433,093

Income Statement

Accounting Title	2015/01/01To2015/03/31	2014/01/01To2014/03/31
Statement of comprehensive income		
Operating revenue		
Total operating revenue	1,014,122,421	883,479,325
Operating costs		
Total operating costs	941,699,063	830,103,420
Gross profit (loss) from operations	72,423,358	53,375,905
Gross profit (loss) from operations	72,423,358	53,375,905
Operating expenses		
Selling expenses		
Total selling expenses	5,846,636	5,032,823
Administrative expenses		
Total administrative expenses	17,606,361	17,662,656
Research and development expenses		
Total research and development expenses	10,367,758	9,774,707
Total operating expenses	33,820,755	32,470,186
Net operating income (loss)	38,602,603	20,905,719
Non-operating income and expenses		
Other income		
Total other income	6,387,852	6,477,961
Other gains and losses		
Other gains and losses, net	-1,343,926	1,144,340
Finance costs		
Finance costs, net	4,249,079	3,191,464

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	850,084	204,313
Total non-operating income and expenses	1,644,931	4,635,150
Profit (loss) from continuing operations before tax	40,247,534	25,540,869
Tax expense (income)		
Total tax expense (income)	8,987,977	5,711,079
Profit (loss) from continuing operations	31,259,557	19,829,790
Profit (loss)	31,259,557	19,829,790
Other comprehensive income		
Components of other comprehensive income that will be reclassified to profit or loss		
Exchange differences on translation	-13,461,361	2,788,353
Unrealised gains (losses) on valuation of available-for-sale financial assets	-3,820,085	736,778
Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss		
Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	637,163	615,113
Components of other comprehensive income that will be reclassified to profit or loss	-16,644,283	4,140,244
Other comprehensive income, net	-16,644,283	4,140,244
Total comprehensive income	14,615,274	23,970,034
Profit (loss), attributable to:		
Profit (loss), attributable to owners of parent	30,385,267	19,542,763
Profit (loss), attributable to non-controlling interests	874,290	287,027
Comprehensive income attributable to:		
Comprehensive income, attributable to owners of parent	14,671,441	23,973,198
Comprehensive income, attributable to non-controlling interests	-56,167	-3,164
Basic earnings per share		
Basic earnings (loss) per share from continuing operations	2.05	1.33
Total basic earnings per share	2.05	1.33
Diluted earnings per share		
Diluted earnings (loss) per share from continuing operations	2.03	1.32
Total diluted earnings per share	2.03	1.32

Statements of Cash Flows

Accounting Title	2015/01/01To2015/03/31	2014/01/01To2014/03/31
Statement of cash flows		
Cash flows from (used in) operating activities, indirect method		
Profit (loss) from continuing operations before tax	40,247,534	25,540,869
Profit (loss) before tax	40,247,534	25,540,869
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expense	17,395,776	18,045,556

	Amortization expense	226,272	218,233
value through profit or loss	Net loss (gain) on financial assets or liabilities at fair	3,448,834	91,940
	Interest expense	4,249,079	3,154,474
	Interest income	-5,071,763	-5,330,805
	Dividend income	-332,687	-221
accounted for using equity method	Share of loss (profit) of associates and joint ventures	-850,084	-204,313
	Loss (gain) on disposal of property, plan and equipment	-44,932	-47,840
as held for sale	Loss (gain) on disposal of non-current assets classified	-28,375	0
	Loss (gain) on disposal of investments	-220,657	-62,845
	Impairment loss on non-financial assets	2,373,321	0
	Total adjustments to reconcile profit (loss)	21,144,784	15,864,179
	Changes in operating assets and liabilities		
	Changes in operating assets		
trading	Decrease (increase) in financial assets held for	-2,199,598	-6,884,105
	Decrease (increase) in notes receivable	3,916	169,125
	Decrease (increase) in accounts receivable	298,891,428	314,055,320
related parties	Decrease (increase) in accounts receivable due from	4,650,800	10,340,075
	Decrease (increase) in other receivable	6,269,395	-6,645,635
	Decrease (increase) in inventories	-10,024,887	6,303,416
	Decrease (increase) in prepayments	-859,554	-1,005,833
	Total changes in operating assets	296,731,500	316,332,363
	Changes in operating liabilities		
parties	Increase (decrease) in accounts payable	-190,576,617	-209,682,866
	Increase (decrease) in accounts payable to related	-3,533,738	-9,064,446
	Increase (decrease) in other payable	-40,322,441	-24,898,188
	Increase (decrease) in provisions	-136,772	65,476
	Increase (decrease) in other current liabilities	-3,539,905	1,457,461
	Increase (decrease) in net defined benefit liability	9,822	-21,563
	Total changes in operating liabilities	-238,099,651	-242,144,126
	Total changes in operating assets and liabilities	58,631,849	74,188,237
	Total adjustments	79,776,633	90,052,416
	Cash inflow (outflow) generated from operations	120,024,167	115,593,285
	Income taxes refund (paid)	-10,792,717	-6,592,423
	Net cash flows from (used in) operating activities	109,231,450	109,000,862
	Cash flows from (used in) investing activities		
	Acquisition of available-for-sale financial assets	-2,473,965	-179,327
	Proceeds from disposal of available-for-sale financial assets	541,817	34,295
	Acquisition of financial assets at cost	-925,151	-629,841
	Proceeds from disposal of financial assets at cost	2,619	0
method	Acquisition of investments accounted for using equity	-37,500	-134,502
held for sale	Proceeds from disposal of non-current assets classified as	3,433,375	0
	Acquisition of property, plant and equipment	-18,939,052	-2,751,904
	Proceeds from disposal of property, plant and equipment	1,989,904	418,843
	Increase in other receivables due from related parties	-1,151,258	-530,000

Acquisition of intangible assets	-12,331	0
Increase in other financial assets	0	-1,740,450
Decrease in other financial assets	2,504,232	0
Increase in other non-current assets	-1,590,068	-482,760
Increase in other prepayments	-37,152	-32,941
Interest received	4,630,990	5,201,227
Dividends received	332,687	221
Other investing activities	-1,277,509	-937,131
Net cash flows from (used in) investing activities	-13,008,362	-1,764,270
Cash flows from (used in) financing activities		
Decrease in short-term loans	-51,501,531	-46,493,128
Decrease in short-term notes and bills payable	0	-7,996,237
Proceeds from issuing bonds	15,562,658	6,000,000
Repayments of bonds	-3,000,000	0
Proceeds from long-term debt	508,833	140,000
Repayments of long-term debt	-2,882,727	-2,699,233
Increase in other non-current liabilities	0	881,572
Decrease in other non-current liabilities	-50,078	0
Interest paid	-3,279,983	-3,400,411
Change in non-controlling interests	970,348	1,881,821
Net cash flows from (used in) financing activities	-43,672,480	-51,685,616
Effect of exchange rate changes on cash and cash equivalents	-12,431,296	5,517,925
Net increase (decrease) in cash and cash equivalents	40,119,312	61,068,901
Cash and cash equivalents at beginning of period	679,037,301	694,027,045
Cash and cash equivalents at end of period	719,156,613	755,095,946
Cash and cash equivalents reported in the statement of financial position	719,156,613	755,095,946

Statements of Changes in Stockholders' Equity

	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	147,934,068	147,934,068	71,659,908	80,126,455	546,932,523	627,058,978	59,610,235	23,986,945	83,597,180	-18,901	930,231,233	54,445,569	984,676,802
Changes in equity of associates and joint ventures accounted for using equity method	0	0	1,098,317	0	0	0	0	0	0	0	1,098,317	0	1,098,317
Profit (loss)	0	0	0	0	30,385,267	30,385,267	0	0	0	0	30,385,267	874,290	31,259,557
Other comprehensive income	0	0	0	0	0	0	-11,822,120	-3,891,706	-15,713,826	0	-15,713,826	-930,457	-16,644,283
Total comprehensive income	0	0	0	0	30,385,267	30,385,267	-11,822,120	-3,891,706	-15,713,826	0	14,671,441	-56,167	14,615,274
Changes in ownership interests in subsidiaries	0	0	110,977	0	0	0	0	0	0	0	110,977	0	110,977
Changes in non-controlling interests	0	0	0	0	0	0	0	0	0	0	0	970,348	970,348
Total increase (decrease) in equity	0	0	1,209,294	0	30,385,267	30,385,267	-11,822,120	-3,891,706	-15,713,826	0	15,880,735	914,181	16,794,916

Equity at end of period	147,934,068	147,934,068	72,869,202	80,126,455	577,317,790	657,444,245	47,788,115	20,095,239	67,883,354	-18,901	946,111,968	55,359,750	1,001,471,718
-------------------------	-------------	-------------	------------	------------	-------------	-------------	------------	------------	------------	---------	-------------	------------	---------------

Independent Auditors' Report

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)	2015-05-15
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	
	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 March 31, 2015 and 2014, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the three-month periods then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express a conclusion on these financial statements based on our reviews.
Content of Independent Auditors Report	Except as explained in the following

paragraph, our reviews were made in accordance with the Generally Accepted Auditing Standard No. 36, "Review of Financial Statements" in the Republic of China. A review consists principally of inquiries of company personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards in the Republic of China, 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.

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 \$675,347,192 thousand and \$633,689,601 thousand, constituting 30.97% and 30.91% of the consolidated total assets, and total liabilities of \$274,144,254 thousand and \$228,583,530 thousand, constituting 23.24% and 18.77% of the consolidated total liabilities as of March 31, 2015 and 2014, respectively, and total comprehensive income (including share of profit and other comprehensive income of associates and joint ventures accounted for under equity method) of 6,429,782 thousand and \$1,269,172 thousand, constituting 43.83% and

5.29% of the consolidated total comprehensive income for the three-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 March 31, 2015 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 equity method and the information disclosed in Note 13 been reviewed by independent accountants, 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 by Securities Issuers” and IAS 34, “Interim Financial Reporting” as endorsed by the Financial Supervisory Commission (FSC).

PricewaterhouseCoopers, Taiwan
May 15, 2015

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.

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.

Ending balance of assets of subsidiaries whose financial statements were audited or reviewed by other independent accountants	0
Total year-to-date revenues of subsidiaries whose financial statements were audited or reviewed by other independent accountants	0
Ending balance of investments accounted for using equity method whose financial statements were audited or reviewed by other independent accountants	0
Share of year-to-date profit (loss) of associates and joint ventures accounted for using equity method which audited by other independent accountants	0
Ending balance of assets of subsidiaries whose financial statements were on unaudited or unreviewed	664583634000
Year-to-date comprehensive income of subsidiaries whose financial statements were unaudited or unreviewed	6436107000
Ending balance of investments accounted for using equity method whose financial statements were unaudited or unreviewed	10763558000

Share of year-to-date profit (loss) of associates and joint ventures accounted for using equity method whose financial statements were unaudited or unreviewed	-6325000
--	----------