

HON HAI PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED SHEETS
2015 3rd IFRS Consolidated Financial Statements

Balance Sheet

Accounting Title	2015/09/30	2014/12/31	2014/09/30
Balance Sheet			
Assets			
Current assets			
Cash and cash equivalents			
Total cash and cash equivalents	647,246,764	679,037,301	543,460,007
Current financial assets at fair value through profit or loss			
Total current financial assets at fair value through profit or loss	21,382,171	3,438,255	6,654,929
Current available-for-sale financial assets			
Current available-for-sale financial assets, net	608,008	1,035,704	1,003,831
Accounts receivable, net			
Accounts receivable, net	543,070,339	748,286,815	507,127,461
Accounts receivable due from related parties, net			
Accounts receivable due from related parties, net	24,567,360	24,093,966	18,423,146
Other receivables			
Other receivables, net	41,893,021	45,923,820	48,131,494
Inventories			
Total inventories	496,268,260	369,196,813	447,960,680
Prepayments			
Total prepayments	14,843,000	10,413,141	9,491,295
Non-current assets classified as held for sale, net			
Non-current assets classified as held for sale, net	2,739,648	9,902,089	9,013,624
Other current assets			
Total other current assets	52,172,274	41,093,451	84,164,297
Total current assets	1,844,790,845	1,932,421,355	1,675,430,764
Non-current assets			
Non-current available-for-sale financial assets			
Non-current available-for-sale financial assets, net	40,220,195	52,792,228	63,635,658
Non-current financial assets at cost			
Non-current financial assets at cost, net	17,070,313	5,792,900	6,034,544
Investments accounted for using equity method			
Investments accounted for using equity method, net	70,580,069	63,412,270	60,210,659
Property, plant and equipment			

Total property, plant and equipment	328,890,569	358,868,558	347,190,993
Investment property, net			
Investment property, net	2,566,542	3,164,666	3,298,829
Intangible assets			
Total intangible assets	4,232,877	4,440,091	3,519,400
Deferred tax assets	17,930,954	17,376,159	16,180,118
Other non-current assets			
Total other non-current assets	43,522,520	24,446,522	25,899,128
Total non-current assets	525,014,039	530,293,394	525,969,329
Total assets	2,369,804,884	2,462,714,749	2,201,400,093
Liabilities and equity			
Liabilities			
Current liabilities			
Short-term borrowings			
Total short-term borrowings	84,181,823	226,500,507	209,637,029
Current financial liabilities at fair value through profit or loss			
Total current financial liabilities at fair value through profit or loss	2,422,626	1,271,012	505,755
Accounts payable			
Total accounts payable	664,080,917	694,315,259	606,457,220
Accounts payable to related parties			
Total accounts payable to related parties	44,209,665	41,014,601	36,011,938
Other payables			
Total other payables	240,062,929	223,575,519	178,545,353
Current tax liabilities	22,577,787	31,690,222	21,828,083
Current provisions			
Total current provisions	2,582,873	2,674,879	2,665,005
Liabilities related to non-current assets classified as held for sale	407,419	2,054,833	1,826,672
Other current liabilities			
Total other current liabilities	93,275,092	79,504,965	65,145,635
Total current liabilities	1,153,801,131	1,302,601,797	1,122,622,690
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	2,156	0	0
Bonds payable			
Total bonds payable	163,834,054	134,644,413	128,083,757
Long-term borrowings			

Total long-term borrowings	5,556,796	24,197,727	28,544,406
Deferred tax liabilities			
Total deferred tax liabilities	9,555,072	7,089,517	4,439,927
Other non-current liabilities			
Total other non-current liabilities	9,968,192	9,504,493	9,217,638
Total non-current liabilities	188,916,270	175,436,150	170,285,728
Total liabilities	1,342,717,401	1,478,037,947	1,292,908,418
Equity			
Equity attributable to owners of parent			
Share capital			
Ordinary share	159,932,881	147,934,068	147,934,068
Total capital stock	159,932,881	147,934,068	147,934,068
Capital surplus			
Capital surplus, additional paid-in capital			
Total capital surplus, additional paid-in capital	79,169,050	70,822,659	70,822,659
Capital Surplus, changes in ownership interests in subsidiaries	0	1,589	0
Capital surplus, changes in equity of associates and joint ventures accounted for using equity method	2,112,744	835,660	700,649
Capital Surplus, restricted stock	-3,550,000	0	0
Total capital surplus	77,731,794	71,659,908	71,523,308
Retained earnings			
Legal reserve	93,179,928	80,126,455	80,126,455
Unappropriated retained earnings (accumulated deficit)			
Total unappropriated retained earnings (accumulated deficit)	563,856,735	546,932,523	490,286,087
Total retained earnings	657,036,663	627,058,978	570,412,542
Other equity interest			
Exchange differences on translation of foreign financial statements			
Total exchange differences on translation of foreign financial statements	69,613,544	59,610,235	32,695,423
Unrealized gains (losses) on available-for-sale financial assets			
Total unrealized gains (losses) on available-for-sale financial assets	6,589,569	23,986,945	38,455,357
Total other equity interest	76,203,113	83,597,180	71,150,780
Treasury shares	18,901	18,901	18,901
Total equity attributable to owners of parent	970,885,550	930,231,233	861,001,797
Non-controlling interests	56,201,933	54,445,569	47,489,878
Total equity	1,027,087,483	984,676,802	908,491,675
Total liabilities and equity	2,369,804,884	2,462,714,749	2,201,400,093

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	1,685,317	1,605,064	1,605,064

Income Statement

Accounting Title	2015/3rd	2014/3rd	2015/01/01	2014/01/01	
			To	To	
2015/09/30					2014/09/30
Statement of comprehensive income					
Operating revenue					
Total operating revenue	1,065,601,878	950,494,021	3,052,432,520	2,713,067,658	
Operating costs					
Total operating costs	989,079,754	882,996,725	2,833,445,148	2,530,204,418	
Gross profit (loss) from operations	76,522,124	67,497,296	218,987,372	182,863,240	
Gross profit (loss) from operations	76,522,124	67,497,296	218,987,372	182,863,240	
Operating expenses					
Selling expenses					
Total selling expenses	5,937,320	6,555,242	17,623,041	16,962,270	
Administrative expenses					
Total administrative expenses	19,080,969	17,653,087	55,494,156	52,644,239	
Research and development expenses					
Total research and development expenses	13,338,192	11,916,410	35,991,012	33,046,685	
Total operating expenses	38,356,481	36,124,739	109,108,209	102,653,194	
Net operating income (loss)	38,165,643	31,372,557	109,879,163	80,210,046	
Non-operating income and expenses					
Other income					
Total other income	8,724,009	9,193,571	22,845,510	24,706,817	
Other gains and losses					
Other gains and losses, net	5,429,230	3,978,760	6,774,752	3,140,718	
Finance costs					
Finance costs, net	4,811,440	4,170,354	12,895,488	10,954,844	
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	326,372	1,434,589	2,015,137	2,664,439	
Total non-operating income and expenses	9,668,171	10,436,566	18,739,911	19,557,130	
Profit (loss) from continuing operations before tax	47,833,814	41,809,123	128,619,074	99,767,176	

Tax expense (income)				
Total tax expense (income)	8,975,747	7,184,493	32,107,772	24,687,255
Profit (loss) from continuing operations	38,858,067	34,624,630	96,511,302	75,079,921
Profit (loss)	38,858,067	34,624,630	96,511,302	75,079,921
Other comprehensive income				
Components of other comprehensive income that will be reclassified to profit or loss				
Exchange differences on translation	35,287,757	15,363,619	7,471,300	7,380,812
Unrealised gains (losses) on valuation of available-for-sale financial assets	-16,761,210	21,724,097	-16,607,422	32,998,502
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	-840,969	157,633	-634,827	428,826
Components of other comprehensive income that will be reclassified to profit or loss				
Other comprehensive income, net	17,685,578	37,245,349	-9,770,949	40,808,140
Total comprehensive income	56,543,645	71,869,979	86,740,353	115,888,061
Profit (loss), attributable to:				
Profit (loss), attributable to owners of parent	37,858,448	34,089,122	93,933,279	73,818,020
Profit (loss), attributable to non-controlling interests	999,619	535,508	2,578,023	1,261,901
Comprehensive income attributable to:				
Comprehensive income, attributable to owners of parent	54,276,748	69,788,735	86,539,212	113,239,939
Comprehensive income, attributable to non-controlling interests	2,266,897	2,081,244	201,141	2,648,122
Basic earnings per share				
Basic earnings (loss) per share from continuing operations	2.42	2.19	6.03	4.75
Total basic earnings per share	2.42	2.19	6.03	4.75
Diluted earnings per share				
Diluted earnings (loss) per share from continuing operations	2.41	2.19	5.98	4.72
Total diluted earnings per share	2.41	2.19	5.98	4.72

Statement of cash flows

Accounting Title	2015/01/01 To 2015/09/30	2014/01/01 To 2014/09/30
Statement of cash flows		
Cash flows from (used in) operating activities, indirect method		
Profit (loss) from continuing operations before tax	128,619,074	99,767,176
Profit (loss) before tax	128,619,074	99,767,176
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expense	54,405,179	52,575,409
Amortization expense	694,604	630,922
Provision (reversal of provision) for bad debt expense	461,746	751,724
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	652,356	-2,502,742
Interest expense	12,889,381	10,815,489
Interest income	-17,835,789	-19,726,086
Dividend income	-894,647	-623,777
Share of loss (profit) of associates and joint ventures accounted for using equity method	-2,015,137	-2,664,439
Loss (gain) on disposal of property, plan and equipment	-304,048	-160,667
Loss (gain) on disposal of non-current assets classified as held for sale	-28,375	0
Loss (gain) on disposal of investments	-4,094,537	-313,296
Impairment loss on financial assets	0	188,616
Impairment loss on non-financial assets	4,961,680	1,444,260
Total adjustments to reconcile profit (loss)	48,892,413	40,415,413
Changes in operating assets and liabilities		
Changes in operating assets		
Decrease (increase) in financial assets held for trading	-10,942,502	-2,488,266
Decrease (increase) in notes receivable	686,526	629,688
Decrease (increase) in accounts receivable	204,068,204	219,252,669
Decrease (increase) in accounts receivable due from related parties	-473,394	1,525,112
Decrease (increase) in other receivable	6,018,204	-6,554,975
Decrease (increase) in inventories	-127,071,447	-135,175,588
Decrease (increase) in prepaid expenses	-4,447,315	-3,120,468
Total changes in operating assets	67,838,276	74,068,172
Changes in operating liabilities		

Increase (decrease) in accounts payable	-30,234,342	-76,485,189
Increase (decrease) in accounts payable to related parties	3,195,064	6,250,199
Increase (decrease) in other payable	-18,530,744	3,220,679
Increase (decrease) in provisions	-92,006	258,669
Increase (decrease) in other current liabilities	-784,554	10,113,795
Increase (decrease) in net defined benefit liability	17,543	-37,810
Total changes in operating liabilities	-46,429,039	-56,679,657
Total changes in operating assets and liabilities	21,409,237	17,388,515
Total adjustments	70,301,650	57,803,928
Cash inflow (outflow) generated from operations	198,920,724	157,571,104
Income taxes refund (paid)	-39,309,447	-29,139,095
Net cash flows from (used in) operating activities	159,611,277	128,432,009
Cash flows from (used in) investing activities		
Acquisition of financial assets at fair value through profit or loss, designated as upon initial recognition	-6,500,000	0
Acquisition of available-for-sale financial assets	-2,473,186	-12,414,019
Proceeds from disposal of available-for-sale financial assets	4,500,534	428,814
Acquisition of financial assets at cost	-11,140,057	-1,555,311
Proceeds from disposal of financial assets at cost	9,089	493,755
Acquisition of investments accounted for using equity method	-5,903,722	-13,047,225
Proceeds from disposal of investments accounted for using equity method	297,760	118,426
Proceeds from disposal of non-current assets classified as held for sale	3,433,375	0
Acquisition of property, plant and equipment	-39,192,856	-19,771,328
Proceeds from disposal of property, plant and equipment	3,744,981	877,245
Increase in other receivables due from related parties	-949,984	-963,869
Acquisition of intangible assets	-56,610	-114,989
Increase in other financial assets	-11,085,823	-78,999,136
Increase in other non-current assets	-19,054,829	-4,956,902
Increase in other prepayments	-126,666	-30,706
Interest received	16,798,368	19,525,631
Dividends received	894,647	623,777
Other investing activities	-421,528	513,949
Net cash flows from (used in) investing activities	-67,226,507	-109,271,888
Cash flows from (used in) financing activities		
Decrease in short-term loans	-142,318,684	-157,006,089
Decrease in short-term notes and bills payable	0	-19,982,517

Proceeds from issuing bonds	42,012,658	44,206,748
Repayments of bonds	-13,500,000	0
Proceeds from long-term debt	1,266,833	978,490
Repayments of long-term debt	-7,982,873	-8,110,433
Increase in other non-current liabilities	376,549	0
Decrease in other non-current liabilities	0	-371,041
Cash dividends paid	0	-23,631,672
Interest paid	-11,317,351	-10,360,410
Change in non-controlling interests	1,555,223	3,587,220
Net cash flows from (used in) financing activities	-129,907,645	-170,689,704
Effect of exchange rate changes on cash and cash equivalents	5,732,338	962,545
Net increase (decrease) in cash and cash equivalents	-31,790,537	-150,567,038
Cash and cash equivalents at beginning of period	679,037,301	694,027,045
Cash and cash equivalents at end of period	647,246,764	543,460,007
Cash and cash equivalents reported in the statement of financial position	647,246,764	543,460,007

Statements of Changes in Stockholders' Equity

	Ordinary share	Total share capital	Capital surplus	Legal reserve	Unappropriated earnings (accumulated deficit)	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on available-for-sale financial assets	Others	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	0	83,597,180	-18,901	930,231,233	54,445,569	984,676,802
Legal reserve appropriated	0	0	0	13,053,473	-13,053,473	0	0	0	0	0	0	0	0	0
Cash dividends of ordinary share	0	0	0	0	-56,214,946	-56,214,946	0	0	0	0	0	-56,214,946	0	-56,214,946
Stock dividends of ordinary share	7,396,703	7,396,703	0	0	-7,396,703	-7,396,703	0	0	0	0	0	0	0	0
Changes in equity of associates and joint ventures	0	0	1,277,084	0	0	0	0	0	0	0	0	1,277,084	0	1,277,084

accounted for using equity method															
Profit (loss)	0	0	0	0	93,933,279	93,933,279	0	0	0	0	0	93,933,279	2,578,023	96,511,302	
Other comprehensive income	0	0	0	0	0	0	10,003,309	-17,397,376	0	-7,394,067	0	-7,394,067	-2,376,882	-9,770,949	
Total comprehensive income	0	0	0	0	93,933,279	93,933,279	10,003,309	-17,397,376	0	-7,394,067	0	86,539,212	201,141	86,740,353	
Issue of ordinary share, others	3,550,000	3,550,000	17,831,955	0	0	0	0	0	-21,381,955	-21,381,955	0	0	0	0	
Changes in ownership interests in subsidiaries	0	0	-1,589	0	-343,945	-343,945	0	0	0	0	0	-345,534	0	-345,534	
Changes in non-controlling interests	0	0	0	0	0	0	0	0	0	0	0	0	1,555,223	1,555,223	
Share-based payments	1,052,110	1,052,110	8,346,391	0	0	0	0	0	0	0	0	9,398,501	0	9,398,501	
Others	0	0	-21,381,955	0	0	0	0	0	0	21,381,955	21,381,955	0	0	0	
Total increase (decrease) in	11,998,813	11,998,813	6,071,886	13,053,473	16,924,212	29,977,685	10,003,309	-17,397,376	0	-7,394,067	0	40,654,317	1,756,364	42,410,681	

equity

Equity at end of	159,932,881	159,932,881	77,731,794	93,179,928	563,856,735	657,036,663	69,613,544	6,589,569	0	76,203,113	-18,901	970,885,550	56,201,933	1,027,087,483
period														

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)	2015-11-16
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, 2015 and 2014, and the related consolidated statements of

comprehensive income for the three-month and nine-month periods ended, of changes in equity and of cash flows for the nine-month periods ended September 30, 2015 and 2014. 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.

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 \$660,398,206,000 and \$593,818,537,000, constituting 27.87% and 26.97% of the consolidated

total assets, and total liabilities of \$261,141,785,000 and \$223,296,361,000, constituting 19.45% and 17.27% of the consolidated

total liabilities as of September 30, 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 \$7,590,661,000, \$10,784,422,000, \$16,760,343,000 and \$16,754,805,000,

constituting 13.42%, 15.01%, 19.32% 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, 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 "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and IAS 34, "Interim Financial Reporting" as endorsed by the Financial Supervisory Commission (FSC).

PricewaterhouseCoopers, Taiwan
November 16, 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
Total revenues for the quarter of subsidiaries whose financial statements were audited or reviewed by other independent accountants	
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
Share of profit (loss) for the quarter of associates and joint ventures accounted for using equity method whose financial statements were audited or reviewed by other independent accountants	
Ending balance of assets of subsidiaries whose financial statements were on unaudited or unreviewed	646894732000
Year-to-date comprehensive income of subsidiaries whose financial statements were unaudited or unreviewed	17114574000
Comprehensive income for the quarter of subsidiaries whose financial statements were unaudited or unreviewed	
Ending balance of investments accounted for using equity method whose financial statements were	13503474000

unaudited or unreviewed

Share of year-to-date profit (loss) of associates and joint ventures accounted for using equity method whose financial statements were unaudited or unreviewed -354231000

Share of profit (loss) for the quarter of associates and joint ventures accounted for using equity method whose financial statements were unaudited or unreviewed