

**HON HAI PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED SHEETS**  
**2016 IFRS Consolidated Financial Statements**

Unit: NT\$ thousand

Accounting Title	2016/12/31	2015/12/31
<b>Balance Sheet</b>		
Assets		
Current assets		
Cash and cash equivalents		
Total cash and cash equivalents	633,155,301	657,137,721
Current financial assets at fair value through profit or loss		
Total current financial assets at fair value through profit or loss	13,652,363	6,114,913
Current available-for-sale financial assets		
Current available-for-sale financial assets, net	462,334	627,508
Accounts receivable, net		
Accounts receivable, net	699,077,030	564,705,314
Accounts receivable due from related parties, net		
Accounts receivable due from related parties, net	31,980,845	26,203,276
Other receivables		
Other receivables, net	45,749,740	43,779,955
Inventories		
Total inventories	387,274,061	424,625,017
Prepayments		
Total prepayments	13,085,503	14,444,295
Other current assets		
Total other current assets	106,764,202	50,580,974
Total current assets	1,931,201,379	1,788,218,973
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	5,998,337	0
Non-current available-for-sale financial assets		
Non-current available-for-sale financial assets, net	112,495,564	38,997,120
Non-current financial assets at cost		
Non-current financial assets at cost, net	32,467,460	18,795,163
Investments accounted for using equity method		
Investments accounted for using equity method, net	142,527,340	77,634,937
Property, plant and equipment		

Total property, plant and equipment	309,202,470	336,738,466
Investment property, net		
Investment property, net	2,525,291	3,014,648
Intangible assets		
Total intangible assets	10,532,956	3,253,837
Deferred tax assets	14,590,713	18,303,571
Other non-current assets		
Total other non-current assets	30,501,430	23,343,162
Total non-current assets	660,841,561	520,080,904
Total assets	2,592,042,940	2,308,299,877
Liabilities and equity		
Liabilities		
Current liabilities		
Short-term borrowings		
Total short-term borrowings	171,472,143	70,233,209
Short-term notes and bills payable		
Total short-term notes and bills payable	15,990,844	7,000,000
Current financial liabilities at fair value through profit or loss		
Total current financial liabilities at fair value through profit or loss	11,555,900	484,773
Accounts payable		
Total accounts payable	679,055,257	613,195,241
Accounts payable to related parties		
Total accounts payable to related parties	30,607,929	30,862,535
Other payables		
Total other payables	218,417,857	197,024,433
Current tax liabilities	30,653,702	32,684,113
Current provisions		
Total current provisions	2,983,036	2,332,882
Other current liabilities		
Total other current liabilities	91,908,563	102,305,015
Total current liabilities	1,252,645,231	1,056,122,201
Non-current liabilities		
Bonds payable		
Total bonds payable	153,302,845	161,789,254
Long-term borrowings		
Total long-term borrowings	24,929,793	10,221,175
Deferred tax liabilities		
Total deferred tax liabilities	18,607,586	9,580,816
Other non-current liabilities		

Total other non-current liabilities	8,768,887	10,195,352
Total non-current liabilities	205,609,111	191,786,597
Total liabilities	1,458,254,342	1,247,908,798
Equity		
Equity attributable to owners of parent		
Share capital		
Ordinary share	173,287,383	156,382,881
Total capital stock	173,287,383	156,382,881
Capital surplus		
Capital surplus, additional paid-in capital		
Total capital surplus, additional paid-in capital	88,501,031	79,169,050
Capital surplus, difference between consideration and carrying amount of subsidiaries acquired or disposed	1,168,232	0
Capital surplus, changes in equity of associates and joint ventures accounted for using equity method	3,377,348	2,567,488
Total capital surplus	93,046,611	81,736,538
Retained earnings		
Legal reserve	107,866,626	93,179,928
Unappropriated retained earnings (accumulated deficit)		
Total unappropriated retained earnings (accumulated deficit)	672,059,408	616,227,711
Total retained earnings	779,926,034	709,407,639
Other equity interest		
Exchange differences on translation of foreign financial statements		
Total exchange differences on translation of foreign financial statements	-7,741,467	52,934,288
Unrealized gains (losses) on available-for-sale financial assets		
Total unrealized gains (losses) on available-for-sale financial assets	40,249,734	7,187,393
Total other equity interest	32,508,267	60,121,681
Treasury shares	18,901	18,901
Total equity attributable to owners of parent	1,078,749,394	1,007,629,838
Non-controlling interests	55,039,204	52,761,241
Total equity	1,133,788,598	1,060,391,079
Total liabilities and equity	2,592,042,940	2,308,299,877
Number of share capital awaiting retirement	0	0
Equivalent issue shares of advance receipts for ordinary share	0	0
Number of shares in entity held by entity and by its subsidiaries	1,853,848	1,685,317

Accounting Title	2016/4th	2015/4th
<b>Statement of comprehensive income</b>		
Operating revenue		
Total operating revenue	4,358,733,357	4,482,145,967
Operating costs		
Total operating costs	4,037,148,377	4,161,553,998
Gross profit (loss) from operations	321,584,980	320,591,969
Gross profit (loss) from operations	321,584,980	320,591,969
Operating expenses		
Selling expenses		
Total selling expenses	22,514,532	25,989,320
Administrative expenses		
Total administrative expenses	72,990,688	77,842,389
Research and development expenses		
Total research and development expenses	51,140,259	52,491,689
Total operating expenses	146,645,479	156,323,398
Net operating income (loss)	174,939,501	164,268,571
Non-operating income and expenses		
Other income		
Total other income	50,122,333	33,128,050
Other gains and losses		
Other gains and losses, net	-1,368,997	15,603,891
Finance costs		
Finance costs, net	26,570,546	18,870,539
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	827,454	4,908,342
Total non-operating income and expenses	23,010,244	34,769,744
Profit (loss) from continuing operations before tax	197,949,745	199,038,315
Tax expense (income)		
Total tax expense (income)	46,592,581	48,836,899
Profit (loss) from continuing operations	151,357,164	150,201,416
Profit (loss)	151,357,164	150,201,416
Other comprehensive income		
Components of other comprehensive income that will not be reclassified to profit or loss		
Gains (losses) on remeasurements of defined benefit plans	57,705	-154,574
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	9,810	-26,278
Components of other comprehensive income that will not be reclassified to profit or loss	47,895	-128,296
Components of other comprehensive income that will be reclassified to profit or loss		

Exchange differences on translation	-64,150,871	-12,294,193
Unrealised gains (losses) on valuation of available-for-sale financial assets	35,086,135	-16,168,326
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	3,994,754	-482,017
Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6,192,134	0
Components of other comprehensive income that will be reclassified to profit or loss	-31,262,116	-28,944,536
Other comprehensive income, net	-31,214,221	-29,072,832
Total comprehensive income	120,142,943	121,128,584
Profit (loss), attributable to:		
Profit (loss), attributable to owners of parent	148,662,983	146,866,977
Profit (loss), attributable to non-controlling interests	2,694,181	3,334,439
Comprehensive income attributable to:		
Comprehensive income, attributable to owners of parent	121,097,464	123,263,182
Comprehensive income, attributable to non-controlling interests	-954,521	-2,134,598
Basic earnings per share		
Basic earnings (loss) per share from continuing operations	8.60	8.54
Total basic earnings per share	8.60	8.54
Diluted earnings per share		
Diluted earnings (loss) per share from continuing operations	8.52	8.45
Total diluted earnings per share	8.52	8.45

Accounting Title	2016/4th	2015/4th
<b>Statement of cash flows</b>		
Cash flows from (used in) operating activities, indirect method		
Profit (loss) from continuing operations before tax	197,949,745	199,038,315
Profit (loss) before tax	197,949,745	199,038,315
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expense	62,407,931	70,330,897
Amortization expense	878,847	926,227
Provision (reversal of provision) for bad debt expense	1,009,719	452,769
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	8,316,405	3,801,694
Interest expense	26,549,974	18,864,432
Interest income	-36,236,935	-26,024,974
Dividend income	-1,392,767	-895,708
Share of loss (profit) of associates and joint ventures accounted for using equity method	-827,454	-4,908,342
Loss (gain) on disposal of property, plan and equipment	-396,486	-631,716
Loss (gain) on disposal of non-current assets classified as held for sale	0	-28,375
Loss (gain) on disposal of investments	475,050	-4,624,214
Impairment loss on financial assets	667,558	416,183
Impairment loss on non-financial assets	0	2,179,448
Reversal of impairment loss on non-financial assets	-346,236	0
Total adjustments to reconcile profit (loss)	61,105,606	59,858,321
Changes in operating assets and liabilities		
Changes in operating assets		
Decrease (increase) in financial assets held for trading	-2,784,565	-7,264,591

Decrease (increase) in notes receivable	533,287	237,111
Decrease (increase) in accounts receivable	-133,021,000	181,012,131
Decrease (increase) in accounts receivable due from related parties	-5,777,569	-1,010,161
Decrease (increase) in other receivable	5,962,954	8,378,661
Decrease (increase) in inventories	39,839,835	-55,428,204
Decrease (increase) in prepaid expenses	1,358,792	-4,028,787
Total changes in operating assets	-93,888,266	121,896,160
Changes in operating liabilities		
Increase (decrease) in accounts payable	60,405,312	-81,164,085
Increase (decrease) in accounts payable to related parties	-254,606	-10,152,066
Increase (decrease) in other payable	20,118,335	-6,122,819
Increase (decrease) in provisions	650,154	-341,997
Increase (decrease) in other current liabilities	-30,069,029	5,403,159
Increase (decrease) in net defined benefit liability	-64,123	186,767
Total changes in operating liabilities	50,786,043	-92,191,041
Total changes in operating assets and liabilities	-43,102,223	29,705,119
Total adjustments	18,003,383	89,563,440
Cash inflow (outflow) generated from operations	215,953,128	288,601,755
Income taxes refund (paid)	-41,932,394	-46,279,121
Net cash flows from (used in) operating activities	174,020,734	242,322,634
Cash flows from (used in) investing activities		
Acquisition of financial assets at fair value through profit or loss, designated as upon initial recognition	-7,996,500	0
Acquisition of available-for-sale financial assets	-40,479,644	-3,149,709
Proceeds from disposal of available-for-sale financial assets	1,949,812	7,460,257
Acquisition of financial assets at cost	-15,093,750	-13,150,561
Proceeds from disposal of financial assets at cost	7,656	11,316

Acquisition of investments accounted for using equity method	-63,030,417	-7,930,360
Proceeds from disposal of investments accounted for using equity method	276,400	0
Net cash flow from acquisition of subsidiaries	-5,482,763	0
Proceeds from capital reduction of investments accounted for using equity method	0	314,656
Proceeds from disposal of non-current assets classified as held for sale	0	3,433,375
Acquisition of property, plant and equipment	-53,204,353	-70,959,526
Proceeds from disposal of property, plant and equipment	2,319,840	4,718,741
Increase in other receivables due from related parties	-4,838	-1,107,647
Acquisition of intangible assets	0	-56,610
Increase in other financial assets	-56,221,575	-9,500,200
Increase in other non-current assets	408,428	-157,666
Increase in other prepayments	-7,530,037	-368,768
Interest received	27,521,419	20,897,825
Dividends received	5,032,100	3,379,604
Other investing activities	-605,700	425,612
Net cash flows from (used in) investing activities	-212,133,922	-65,739,661
Cash flows from (used in) financing activities		
Increase in short-term loans	101,238,934	0
Decrease in short-term loans	0	-156,067,298
Increase in short-term notes and bills payable	9,000,000	7,000,000
Proceeds from issuing bonds	52,360,000	50,212,659
Repayments of bonds	-24,918,350	-16,500,000
Proceeds from long-term debt	1,086,000	2,745,533
Repayments of long-term debt	-6,985,906	-8,169,988
Increase in other non-current liabilities	464,812	55,315
Cash dividends paid	-62,553,153	-56,214,946

Interest paid	-18,673,292	-14,689,929
Change in non-controlling interests	926,444	450,270
Net cash flows from (used in) financing activities	51,945,489	-191,178,384
Effect of exchange rate changes on cash and cash equivalents	-37,814,721	-7,304,169
Net increase (decrease) in cash and cash equivalents	-23,982,420	-21,899,580
Cash and cash equivalents at beginning of period	657,137,721	679,037,301
Cash and cash equivalents at end of period	633,155,301	657,137,721
Cash and cash equivalents reported in the statement of financial position	633,155,301	657,137,721

2016/12/31 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	Others	Total other equity interest	Treasury shares	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Equity	156,382,881	156,382,881	81,736,538	93,179,928	616,227,711	709,407,639	52,934,288	7,187,393	0	60,121,681	-18,901	1,007,629,838	52,761,241	1,060,391,079
Legal reserve appropriated	0	0	0	14,686,698	-14,686,698	0	0	0	0	0	0	0	0	0
Cash dividends of ordinary share	0	0	0	0	-62,553,153	-62,553,153	0	0	0	0	0	-62,553,153	0	-62,553,153
Stock dividends of ordinary share	15,638,288	15,638,288	0	0	-15,638,288	-15,638,288	0	0	0	0	0	0	0	0
Changes in equity of associates and joint ventures accounted for using equity method	0	0	809,860	0	-1,042	-1,042	0	0	0	0	0	808,818	0	808,818
Profit (loss)	0	0	0	0	148,662,983	148,662,983	0	0	0	0	0	148,662,983	2,694,181	151,357,164

Other														
comprehensive income	0	0	0	0	47,895	47,895	-60,675,755	33,062,341	0	-27,613,414	0	-27,565,519	-3,648,702	-31,214,221
Total														
comprehensive income	0	0	0	0	148,710,878	148,710,878	-60,675,755	33,062,341	0	-27,613,414	0	121,097,464	-954,521	120,142,943
Changes in ownership interests in subsidiaries	0	0	1,168,232	0	0	0	0	0	0	0	0	1,168,232	0	1,168,232
Changes in non-controlling interests	0	0	0	0	0	0	0	0	0	0	0	0	3,232,484	3,232,484
Share-based payments	1,266,214	1,266,214	9,331,981	0	0	0	0	0	0	0	0	10,598,195	0	10,598,195
Total increase (decrease) in equity	16,904,502	16,904,502	11,310,073	14,686,698	55,831,697	70,518,395	-60,675,755	33,062,341	0	-27,613,414	0	71,119,556	2,277,963	73,397,519
Equity	173,287,383	173,287,383	93,046,611	107,866,626	672,059,408	779,926,034	-7,741,467	40,249,734	0	32,508,267	-18,901	1,078,749,394	55,039,204	1,133,788,598