

HON HAI PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES CONSOLIDATED SHEETS
2017 1st Quarter IFRS Consolidated Financial Statements

Unit: NT\$ thousand

Accounting Title	2017/03/31	2016/12/31	2016/03/31
Balance Sheet			
Assets			
Current assets			
Cash and cash equivalents			
Total cash and cash equivalents	534,950,315	633,155,301	640,784,019
Current financial assets at fair value through profit or loss			
Total current financial assets at fair value through profit or loss	6,079,974	13,652,363	2,400,618
Current available-for-sale financial assets			
Current available-for-sale financial assets, net	459,151	462,334	527,473
Accounts receivable, net			
Accounts receivable, net	465,750,840	699,077,030	407,163,165
Accounts receivable due from related parties, net			
Accounts receivable due from related parties, net	38,135,771	31,980,845	18,250,792
Other receivables			
Other receivables, net	44,479,657	45,749,740	37,781,078
Inventories			
Total inventories	351,053,527	387,274,061	393,413,461
Prepayments			
Total prepayments	13,501,890	13,085,503	14,294,799
Other current assets			
Total other current assets	149,160,097	106,764,202	74,375,589
Total current assets	1,603,571,222	1,931,201,379	1,588,990,994
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	6,337,574	5,998,337	0
Non-current available-for-sale financial assets			
Non-current available-for-sale financial assets, net	191,232,518	112,495,564	36,465,224
Non-current financial assets at cost			
Non-current financial assets at cost, net	35,842,359	32,467,460	21,187,524
Investments accounted for using equity method			
Investments accounted for using equity method, net	145,494,241	142,527,340	77,078,019
Property, plant and equipment			
Total property, plant and equipment	290,076,851	309,202,470	326,574,458
Investment property, net			

Investment property, net	2,356,455	2,525,291	2,930,565
Intangible assets			
Total intangible assets	10,401,034	10,532,956	3,090,445
Deferred tax assets	17,561,674	14,590,713	18,801,574
Other non-current assets			
Total other non-current assets	29,468,195	30,501,430	53,631,841
Total non-current assets	728,770,901	660,841,561	539,759,650
Total assets	2,332,342,123	2,592,042,940	2,128,750,644
Liabilities and equity			
Liabilities			
Current liabilities			
Short-term borrowings			
Total short-term borrowings	121,126,122	171,472,143	78,832,251
Short-term notes and bills payable			
Total short-term notes and bills payable	4,198,604	15,990,844	13,979,375
Current financial liabilities at fair value through profit or loss			
Total current financial liabilities at fair value through profit or loss	12,583,852	11,555,900	3,829,920
Accounts payable			
Total accounts payable	453,610,641	679,055,257	459,416,850
Accounts payable to related parties			
Total accounts payable to related parties	37,638,614	30,607,929	21,922,201
Other payables			
Total other payables	183,172,754	218,417,857	163,627,368
Current tax liabilities	26,705,519	30,653,702	32,355,055
Current provisions			
Total current provisions	2,940,265	2,983,036	1,988,122
Other current liabilities			
Total other current liabilities	115,195,939	91,908,563	94,746,513
Total current liabilities	957,172,310	1,252,645,231	870,697,655
Non-current liabilities			
Bonds payable			
Total bonds payable	132,714,375	153,302,845	150,942,223
Long-term borrowings			
Total long-term borrowings	19,127,251	24,929,793	8,420,411
Deferred tax liabilities			
Total deferred tax liabilities	31,268,938	18,607,586	9,242,132
Other non-current liabilities			
Total other non-current liabilities	8,553,919	8,768,887	10,217,734
Total non-current liabilities	191,664,483	205,609,111	178,822,500

Total liabilities	1,148,836,793	1,458,254,342	1,049,520,155
Equity			
Equity attributable to owners of parent			
Share capital			
Ordinary share	173,287,383	173,287,383	156,382,881
Total capital stock	173,287,383	173,287,383	156,382,881
Capital surplus			
Capital surplus, additional paid-in capital			
Total capital surplus, additional paid-in capital	88,501,031	88,501,031	79,169,050
Capital surplus, difference between consideration and carrying amount of subsidiaries acquired or disposed	1,072,986	1,168,232	1,183,889
Capital surplus, changes in equity of associates and joint ventures accounted for using equity method	3,119,317	3,377,348	2,652,683
Total capital surplus	92,693,334	93,046,611	83,005,622
Retained earnings			
Legal reserve	107,866,626	107,866,626	93,179,928
Unappropriated retained earnings (accumulated deficit)			
Total unappropriated retained earnings (accumulated deficit)	700,226,939	672,059,408	643,804,469
Total retained earnings	808,093,565	779,926,034	736,984,397
Other equity interest			
Exchange differences on translation of foreign financial statements			
Total exchange differences on translation of foreign financial statements	-64,778,688	-7,741,467	44,311,081
Unrealized gains (losses) on available-for-sale financial assets			
Total unrealized gains (losses) on available-for-sale financial assets	102,914,245	40,249,734	5,590,779
Total other equity interest	38,135,557	32,508,267	49,901,860
Treasury shares	18,901	18,901	18,901
Total equity attributable to owners of parent	1,112,190,938	1,078,749,394	1,026,255,859
Non-controlling interests	71,314,392	55,039,204	52,974,630
Total equity	1,183,505,330	1,133,788,598	1,079,230,489
Total liabilities and equity	2,332,342,123	2,592,042,940	2,128,750,644
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	1,853,848	1,853,848	1,685,317

Accounting Title	2017/01/01To2017/03/31	2016/01/01To2016/03/31
Statement of comprehensive income		
Operating revenue		
Total operating revenue	975,043,856	958,009,217
Operating costs		
Total operating costs	903,319,240	890,432,744
Gross profit (loss) from operations	71,724,616	67,576,473
Gross profit (loss) from operations	71,724,616	67,576,473
Operating expenses		
Selling expenses		
Total selling expenses	6,102,292	5,336,313
Administrative expenses		
Total administrative expenses	16,043,026	16,807,448
Research and development expenses		
Total research and development expenses	13,089,572	10,108,048
Total operating expenses	35,234,890	32,251,809
Net operating income (loss)	36,489,726	35,324,664
Non-operating income and expenses		
Other income		
Total other income	13,066,926	8,853,500
Other gains and losses		
Other gains and losses, net	-5,547,643	-2,691,323
Finance costs		
Finance costs, net	8,501,443	5,290,841
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	930,690	109,948
Total non-operating income and expenses	-51,470	981,284
Profit (loss) from continuing operations before tax	36,438,256	36,305,948
Tax expense (income)		
Total tax expense (income)	7,230,810	8,757,088
Profit (loss) from continuing operations	29,207,446	27,548,860
Profit (loss)	29,207,446	27,548,860
Other comprehensive income		
Components of other comprehensive income that will be reclassified to profit or loss		
Exchange differences on translation	-56,984,207	-8,042,866

Unrealised gains (losses) on valuation of available-for-sale financial assets	65,284,656	-1,668,978
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	6,122,533	-627,368
Income tax related to components of other comprehensive income that will be reclassified to profit or loss	10,020,699	0
Components of other comprehensive income that will be reclassified to profit or loss	4,402,283	-10,339,212
Other comprehensive income, net	4,402,283	-10,339,212
Total comprehensive income	33,609,729	17,209,648
Profit (loss), attributable to:		
Profit (loss), attributable to owners of parent	28,167,531	27,576,758
Profit (loss), attributable to non-controlling interests	1,039,915	-27,898
Comprehensive income attributable to:		
Comprehensive income, attributable to owners of parent	33,794,821	17,356,937
Comprehensive income, attributable to non-controlling interests	-185,092	-147,289
Basic earnings per share		
Basic earnings (loss) per share from continuing operations	1.63	1.60
Total basic earnings per share	1.63	1.60
Diluted earnings per share		
Diluted earnings (loss) per share from continuing operations	1.61	1.59
Total diluted earnings per share	1.61	1.59

Accounting Title	2017/01/01To2017/03/31	2016/01/01To2016/03/31
Statement of cash flows		
Cash flows from (used in) operating activities, indirect method		
Profit (loss) from continuing operations before tax	36,438,256	36,305,948
Profit (loss) before tax	36,438,256	36,305,948
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expense	14,983,478	16,524,330
Amortization expense	317,224	211,440
Provision (reversal of provision) for bad debt expense	5,170	0
Net loss (gain) on financial assets or liabilities at fair value	15,985,389	4,924,757
through profit or loss		
Interest expense	8,491,157	5,290,841
Interest income	-10,682,980	-6,991,869
Dividend income	0	-155,102
Share of loss (profit) of associates and joint ventures	-930,690	-109,948
accounted for using equity method		
Loss (gain) on disposal of property, plan and equipment	55,605	-105,981
Loss (gain) on disposal of investments	18,148	97,441
Total adjustments to reconcile profit (loss)	28,242,501	19,685,909
Changes in operating assets and liabilities		
Changes in operating assets		
Decrease (increase) in financial assets held for trading	-3,071,835	2,134,685
Decrease (increase) in notes receivable	-85,188	267,078
Decrease (increase) in accounts receivable	233,406,208	157,275,071
Decrease (increase) in accounts receivable due from	-6,154,926	7,952,484
related parties		
Decrease (increase) in other receivable	-250,584	8,056,720
Decrease (increase) in inventories	36,220,534	31,211,556
Decrease (increase) in prepaid expenses	-416,387	149,496
Total changes in operating assets	259,647,822	207,047,090
Changes in operating liabilities		
Increase (decrease) in accounts payable	-225,444,616	-153,778,391
Increase (decrease) in accounts payable to related	7,030,685	-8,940,334
parties		
Increase (decrease) in other payable	-34,959,669	-34,360,596
Increase (decrease) in provisions	-42,771	-344,760
Increase (decrease) in other current liabilities	17,627,250	-7,084,257

Increase (decrease) in net defined benefit liability	-87,416	-17,783
Total changes in operating liabilities	-235,876,537	-204,526,121
Total changes in operating assets and liabilities	23,771,285	2,520,969
Total adjustments	52,013,786	22,206,878
Cash inflow (outflow) generated from operations	88,452,042	58,512,826
Income taxes refund (paid)	-11,509,301	-9,922,833
Net cash flows from (used in) operating activities	76,942,741	48,589,993
Cash flows from (used in) investing activities		
Acquisition of financial assets at fair value through profit or loss, designated as upon initial recognition	-4,652,450	0
Acquisition of available-for-sale financial assets	0	-22,680
Proceeds from disposal of available-for-sale financial assets	15,354	358,071
Acquisition of financial assets at cost	-5,676,243	-2,748,250
Proceeds from disposal of financial assets at cost	374,360	0
Acquisition of investments accounted for using equity method	0	-197,180
Proceeds from capital reduction of investments accounted for using equity method	0	283,939
Acquisition of property, plant and equipment	-10,283,597	-9,743,953
Proceeds from disposal of property, plant and equipment	1,097,815	558,412
Increase in other receivables due from related parties	14,528	-1,003,349
Increase in other financial assets	-42,395,895	-23,794,615
Decrease in other financial assets	15,091	12,577
Increase in other non-current assets	-1,309,484	-932,815
Increase in other prepayments	0	-2,715
Decrease in other prepayments	0	513,406
Interest received	12,189,119	5,937,375
Dividends received	0	155,102
Other investing activities	-213,829	-29,541,950
Net cash flows from (used in) investing activities	-50,825,231	-60,168,625
Cash flows from (used in) financing activities		
Increase in short-term loans	0	8,599,042
Decrease in short-term loans	-50,346,021	0
Increase in short-term notes and bills payable	0	7,000,000
Decrease in short-term notes and bills payable	-11,790,844	0
Proceeds from issuing bonds	0	0
Repayments of bonds	-11,050,000	-7,010,874
Proceeds from long-term debt	190,000	178,500
Repayments of long-term debt	-4,951,071	-6,772,962
Increase in other non-current liabilities	86,277	172,115

Cash dividends paid	0	0
Interest paid	-8,886,444	-4,567,148
Change in non-controlling interests	939,847	360,678
Net cash flows from (used in) financing activities	-85,808,256	-2,040,649
Effect of exchange rate changes on cash and cash equivalents	-38,514,240	-2,734,421
Net increase (decrease) in cash and cash equivalents	-98,204,986	-16,353,702
Cash and cash equivalents at beginning of period	633,155,301	657,137,721
Cash and cash equivalents at end of period	534,950,315	640,784,019
Cash and cash equivalents reported in the statement of financial position	534,950,315	640,784,019

2017/03/31 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	Total other equity interest	Treasury shares	Total equity attributable to owners of parent	Non-controlling interests	Total equity
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	32,508,267	-18,901	1,078,749,394	55,039,204	1,133,788,598
Changes in equity of associates and joint ventures accounted for using equity method	0	0	-258,031	0	0	0	0	0	0	0	-258,031	0	-258,031
Profit (loss)	0	0	0	0	28,167,531	28,167,531	0	0	0	0	28,167,531	1,039,915	29,207,446
Other comprehensive income	0	0	0	0	0	0	-57,037,221	62,664,511	5,627,290	0	5,627,290	-1,225,007	4,402,283
Total comprehensive income	0	0	0	0	28,167,531	28,167,531	-57,037,221	62,664,511	5,627,290	0	33,794,821	-185,092	33,609,729
Changes in ownership	0	0	-95,246	0	0	0	0	0	0	0	-95,246	0	-95,246

interests in subsidiaries														
Changes in non-controlling interests	0	0	0	0	0	0	0	0	0	0	0	16,460,280	16,460,280	
Total increase (decrease) in equity	0	0	-353,277	0	28,167,531	28,167,531	-57,037,221	62,664,511	5,627,290	0	33,441,544	16,275,188	49,716,732	
Equity	173,287,383	173,287,383	92,693,334	107,866,626	700,226,939	808,093,565	-64,778,688	102,914,245	38,135,557	-18,901	1,112,190,938	71,314,392	1,183,505,330	

2016/03/31 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	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	60,121,681	-18,901	1,007,629,838	52,761,241	1,060,391,079
Changes in equity of associates and joint ventures accounted for using equity method	0	0	85,195	0	0	0	0	0	0	0	85,195	0	85,195
Profit (loss)	0	0	0	0	27,576,758	27,576,758	0	0	0	0	27,576,758	-27,898	27,548,860
Other comprehensive income	0	0	0	0	0	0	-8,623,207	-1,596,614	-10,219,821	0	-10,219,821	-119,391	-10,339,212
Total comprehensive income	0	0	0	0	27,576,758	27,576,758	-8,623,207	-1,596,614	-10,219,821	0	17,356,937	-147,289	17,209,648
Changes in ownership interests in	0	0	1,183,889	0	0	0	0	0	0	0	1,183,889	0	1,183,889

subsidiaries													
Changes in													
non-controlling	0	0	0	0	0	0	0	0	0	0	0	360,678	360,678
interests													
Total increase													
(decrease) in	0	0	1,269,084	0	27,576,758	27,576,758	-8,623,207	-1,596,614	-10,219,821	0	18,626,021	213,389	18,839,410
equity													
Equity	156,382,881	156,382,881	83,005,622	93,179,928	643,804,469	736,984,397	44,311,081	5,590,779	49,901,860	-18,901	1,026,255,859	52,974,630	1,079,230,489